

Reported by: Amanda F. Martin

## 1 BOARD MEMBERS PRESENT:

2 Mr. Frank Neal, Chairman  
Mr. Larry Parks, Vice Chairman  
3 Mr. Cliff Hunt, Member  
Mr. Earnest M. Owens, Member  
4 Mr. Marvin Sandrell, Member  
Mr. Reese Smith, Member  
5 Mr. Glenn Still, Member  
Mr. Keith Whittington, Member  
6

## 7 STAFF MEMBERS PRESENT:

8 Ms. Beth Tarter, Staff Attorney  
Ms. Nicole Canter, Paralegal  
9 Ms. Carolyn Lazenby, Executive Director  
Ms. Telise Roberts, Assistant Director  
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1 CHAIR NEAL: We'll call the meeting to  
2 order for the Board for Licensing Contractors, January 22nd,  
3 2008. We'll start with the roll call to my left. Give your  
4 name and city, please.

5 MEMBER WHITTINGTON: Keith Whittington.  
6 Johnson City.

7 MEMBER OWENS: Ernest Owens. Memphis,  
8 Tennessee.

9 MEMBER STILL: Glenn Still. Dyersburg.

10 MEMBER PARKS: Larry Parks. Chattanooga.

11 CHAIR NEAL: Frank Neal. Nashville.

12 MEMBER HUNT: Cliff Hunt. Memphis.

13 MEMBER SANDRELL: Marvin Sandrell.

14 Columbia.

15 CHAIR NEAL: Reese Smith is on his way  
16 back. We'll go ahead and start with our agenda.

17 I would entertain a motion to approve the  
18 agenda and adopt it for today's meeting.

19 MEMBER HUNT: So moved.

20 MEMBER STILL: Second.

21 CHAIR NEAL: Any further discussion?

22 (Pause)

23 CHAIR NEAL: All in favor say "aye."

24 THE BOARD: Aye.

25 CHAIR NEAL: Opposed, like sign?

1 (Pause)

2 CHAIR NEAL: Unanimous.

3 Next item on the agenda is the  
4 ratification of hardships approved by the executive director.  
5 It's under tab 2, I believe, in your books.

6 MEMBER PARKS: When you say approved by  
7 the executive director, some board member also looked at it,  
8 right?

9 CHAIR NEAL: Yes.

10 MS. LAZENBY: Right.

11 MEMBER PARKS: I'll move for approval.

12 CHAIR NEAL: Second?

13 MEMBER HUNT: Second.

14 CHAIR NEAL: Any further discussion?

15 (Pause)

16 CHAIR NEAL: All in favor say "aye."

17 THE BOARD: Aye.

18 CHAIR NEAL: Opposed, like sign?

19 (Pause)

20 CHAIR NEAL: Unanimous.

21 Next item on the agenda is the election of  
22 officers for the current year.

23 I believe we have a nomination from you,  
24 Mr. Still.

25 MEMBER STILL: Yes. Reese Smith and I

1 were the only two board members present at today's meeting  
2 that met this morning, and we will submit to the Board these  
3 names and positions -- for secretary, Keith Whittington; for  
4 vice chair, Cindi DeBusk; and for chairman, Larry Parks.

5 CHAIR NEAL: Are there any other  
6 nominations from the Board?

7 (Pause)

8 CHAIR NEAL: If not, nominations will  
9 cease. All in favor of these nominees please let it be known  
10 by saying "aye."

11 THE BOARD: Aye.

12 CHAIR NEAL: Opposed, like sign?

13 (Pause)

14 CHAIR NEAL: Unanimous.

15 (Pause)

16 MEMBER NEAL: With that said, I gladly  
17 turn this gavel over to you.

18 (Laughter)

19 CHAIR PARKS: Thank you, Mr. Neal. And I  
20 think, not on the agenda, but the very first thing should be a  
21 round of applause and a thank you from the remainder of the  
22 board for two years well served, in my opinion.

23 (Applause)

24 CHAIR PARKS: Ladies and gentlemen,  
25 Carolyn also has a presentation for you.

1 MS. LAZENBY: Yes. We want to thank you  
2 very much for all your hard work.

3 MEMBER NEAL: Well, you're mighty kind.

4 MS. LAZENBY: And here's another gavel  
5 (indicating), but it's going to be engraved so I need it back.

6 CHAIR PARKS: We can fight with it.

7 MS. LAZENBY: But thank you so much.

8 (Applause)

9 CHAIR PARKS: All right. Thank you-all.  
10 The next agenda item is our annual  
11 adoption of Roberts Rules of Order.

12 Do I have a motion that we operate under  
13 Roberts Rules of Order?

14 MEMBER NEAL: So moved.

15 MEMBER OWENS: Second.

16 CHAIR PARKS: Any discussion?

17 (Pause)

18 CHAIR PARKS: All in favor say "aye."

19 THE BOARD: Aye.

20 CHAIR PARKS: Opposed?

21 (Pause)

22 CHAIR PARKS: Unanimous. Thank you.

23 Next thing is the adoption of the conflict  
24 of interest policy. I'm not sure we need a motion as much as  
25 we all need to sign it and turn in the form that we received.



1 MS. LAZENBY: Yes. The Department  
2 requires --

3 CHAIR PARKS: I'll pass mine to the left.  
4 Everybody pass theirs to the left, if they  
5 brought it.

6 MS. LAZENBY: You-all are required to sign  
7 one each year, and so, we just do this annually at the January  
8 board meeting.

9 MEMBER STILL: I'll take yours and pass it  
10 on.

11 MS. LAZENBY: You can sign it at the end  
12 of the meeting if you haven't done so.

13 MEMBER STILL: Do you want us to just sign  
14 the one in our books?

15 MS. LAZENBY: Yes.

16 MEMBER STILL: This is the same one?

17 MS. LAZENBY: Yes.

18 MEMBER STILL: They haven't changed it?

19 CHAIR PARKS: Now, I see on the very last  
20 page, under tab 3, a couple of other forms. Do we -- we're  
21 not supposed to do those annually? The last pages, I should  
22 say. As I go backwards there's more blank -- there's a  
23 disclosure, a Form D-1 and Form D-2 and some kind of policy.  
24 Are we supposed to --

25 MS. LAZENBY: The conflict of interest is

1 the only one we need returned back to us.

2 CHAIR PARKS: Okay.

3 MS. LAZENBY: I think this was just part  
4 of it.

5 CHAIR PARKS: All right. While that's  
6 going on, just sign and pass them down to the left.

7 Next item is to review and approve the  
8 November 2007 meeting transcript, which is behind tab 4.

9 MEMBER HUNT: So move.

10 CHAIR PARKS: Do I have a second?

11 MEMBER STILL: Second.

12 CHAIR PARKS: Any discussion or questions  
13 or corrections?

14 (Pause)

15 CHAIR PARKS: All in favor say "aye."

16 THE BOARD: Aye.

17 CHAIR PARKS: Opposed?

18 (Pause)

19 CHAIR PARKS: Behind tab 5 we have the  
20 list of schedules of interviewed and waived applicants from  
21 today's -- this morning's meeting. First, I guess, is there a  
22 motion for acceptance, and then if anybody seconds, does  
23 anyone have any issues with them?

24 MEMBER STILL: I'll make a motion for  
25 acceptance.

1 MEMBER NEAL: I'll second that motion.

2 CHAIR PARKS: Okay. Now is there any  
3 discussion on that?

4 MEMBER WHITTINGTON: Mr. Chairman?

5 CHAIR PARKS: Yes.

6 MEMBER WHITTINGTON: I'll yield to  
7 Mr. Neal, and then I have a couple.

8 MEMBER NEAL: Go right ahead.

9 MEMBER WHITTINGTON: Okay. The first one  
10 I've got is an application for a BC 9, 11, 14, 19, and 23  
11 structural waterproofing. Looking through the file, they had  
12 actually stated that they had not bid on any work over 25,000.  
13 They are actually requesting a monetary limit for 1,200,000.  
14 Yet, they have been fined in the past, for doing work without  
15 a license, of \$1,000. Then they have nearly \$2 million in  
16 pending contracts.

17 And I don't know, in my mind, how they can  
18 justify \$2 million in contracts at 25,000 a contract. And I  
19 requested from him a breakdown of his pending contracts. And  
20 I just wanted to make sure that the Board felt like I had made  
21 a proper decision with that.

22 CHAIR PARKS: You denied him, right?

23 MEMBER WHITTINGTON: Yes. I denied him.  
24 And we'll get a breakdown. And I've got a feeling that we're  
25 going to see -- if we see it at all -- contracts in there that

1 exceed 25,000, which I think we need to take appropriate  
2 action at that time with the licensee.

3 Any other direction for me on that?

4 (Member Smith enters the board room.)

5 MEMBER WHITTINGTON: And then I have a  
6 Verizon Homes, who is applying for a monetary limit of  
7 1,500,000. When we first got this license the qualifying  
8 agent was not an employee and he was also not part owner. We  
9 have since received -- or brought in today a notarized -- or  
10 an un-notarized stock purchase certificate which he and two  
11 other owners share in stock. But it was not notarized.

12 So I requested a notarization of that --  
13 of that stock form. This is the second time they have come  
14 in. And the only reason we had them come back in was just  
15 because I felt something was a little fishy, like he was a  
16 qualifying agent of the company. And if there's any other  
17 direction, I'd be glad to accept it.

18 MEMBER STILL: You feel like he is an  
19 improper --

20 MEMBER WHITTINGTON: Yes

21 MEMBER STILL: -- qualifying agent?

22 MEMBER WHITTINGTON: Yes.

23 MEMBER STILL: Actually like a test  
24 taker --

25 MEMBER WHITTINGTON: Yes.

1 MEMBER STILL: -- for that purpose?

2 MEMBER WHITTINGTON: Yes.

3 CHAIR PARKS: And we denied that, as well?

4 MEMBER WHITTINGTON: Yes. Until we get  
5 the notarized statement.

6 Then we've got a young man applying for a  
7 limited license. He is with -- his name is Kendrick Brooks.  
8 He works for a financial services firm who hired another state  
9 licensed contractor to build homes under the Homestead Act,  
10 yet Mr. Brooks stated to me that the licensed contractor was  
11 unable to oversee the work so he oversaw the work. He also  
12 admitted to bidding the work. And then the two homes they  
13 worked on in 2007 were \$77,000 or more.

14 And I really don't know how to handle  
15 this one. It's a limited license, but yet he is already  
16 bidding on work without a license, and it would be over a  
17 restricted license at that. And I asked him to appear before  
18 us this afternoon so maybe he could shed a little more light.  
19 Obviously, he's not going to make it back.

20 Any direction as to how we need to proceed  
21 with this?

22 MEMBER STILL: If I may?

23 CHAIR PARKS: Yeah.

24 MEMBER STILL: With these, apparently the  
25 jobs are going to be beyond the limited license. Should he

1 not just be asked if he would like to go ahead and take --  
2 pass the test and go ahead and get licensed as a residential  
3 contractor?

4 CHAIR PARKS: And since he didn't --  
5 or since he didn't apply that way for a license, why couldn't  
6 we -- or could we not issue a cease and desist for acting like  
7 a contractor without a license? Because that's what he has  
8 been doing, obviously.

9 Do you agree, Beth?

10 MS. TARTER: Yeah.

11 MEMBER WHITTINGTON: I think that's  
12 probably --

13 CHAIR PARKS: Cease and desist and an  
14 appropriate citation.

15 MEMBER WHITTINGTON: I don't even think  
16 he submitted workers' comp and general liability along with  
17 his application. And I'm just real concerned about giving him  
18 a license without a little guidance here.

19 And a limited license -- you know, he was  
20 under the impression that Chattanooga State University told  
21 him he could do 77,000. They told him, once again, that he's  
22 got a 10 percent overage on his license. It's just not -- I  
23 mean, we're still getting that from these schools.

24 CHAIR PARKS: Is that all you've got?

25 MEMBER WHITTINGTON: That's all I've got.

1 CHAIR PARKS: Mr. Neal?

2 MEMBER NEAL: I've got three. The first  
3 one is Southern Temperature Controls, Incorporated. These  
4 people have bid on at least three occasions in Tennessee. On  
5 one specific occasion, a citation was issued because that was  
6 the only one where we could actually determine that they had  
7 received a bid. This came about from a complaint to the  
8 Department.

9 But, anyway, a citation was issued and  
10 they came to a board meeting and they brought their check and  
11 they paid their citation for \$1,000. They bid on this job  
12 back in September of '07 in spite of the fact that the  
13 citation for \$1,000 may have been kind of minimal.

14 I did tell them that it would be up to the  
15 Board as to how long their license would be held. They've  
16 asked for a limit that they do not qualify for, but they agree  
17 to a reduction of that limit to what they actually do qualify  
18 for, from a financial standpoint.

19 So it would be my recommendation that we  
20 issue the license, but hold it for 90 days before it is  
21 released. But I'm open to any other suggestions from any  
22 board member.

23 CHAIR PARKS: We have that six-month  
24 requirement. Would that be six months from some date?

25 MEMBER NEAL: Well, that's kind of where I

1 was going there with the September. They were bidding jobs in  
2 September of '07. So we could give them 90 or 120 days.

3 CHAIR PARKS: When did we learn about it?  
4 Just now?

5 MEMBER NEAL: No. We learned about it in  
6 December.

7 CHAIR PARKS: Well, that's always been  
8 the date we've used, and the statute says we have to go six  
9 months.

10 MEMBER NEAL: Okay. So do you want to  
11 release it as of July 1? That's a little over six months.

12 CHAIR PARKS: That's up to you. I mean,  
13 that's a recommendation. Or exactly six months from the  
14 citation date or whenever it was learned, in keeping with past  
15 practice.

16 MEMBER NEAL: The citation date was  
17 January the 14th. Of course, that was after we found out  
18 about it in December. So why don't we say June 1?

19 CHAIR PARKS: Okay.

20 MEMBER NEAL: If you want to say July 1,  
21 we'll say July 1.

22 CHAIR PARKS: That's probably a safer  
23 date.

24 MEMBER NEAL: Okay. I'll mark that one  
25 for July 1.



1                   The next one I have is a renewal of an  
2 application who the licensee's time expired in '05. He  
3 alleges that he sent in his application and his money, but  
4 obviously it was not received by the Department. And after  
5 that he went through a series of heart problems and other  
6 health problems, and the only time he bid on anything was in  
7 mid '07. He did not do the job, but he gave a price for  
8 approximately an \$80,000 job. And, as I say, he did not  
9 pursue the job.

10                   I told him that he would probably be faced  
11 with a consent order for bidding without a license. And I  
12 would recommend that he be given a consent order for \$1,000,  
13 due to the small size project that he did offer to bid on.

14                   MEMBER HUNT: What was the size of the  
15 job?

16                   MEMBER NEAL: 80,000.

17                   In my opinion, the guy was honest.  
18 That's just an opinion. But he did have medical problems, and  
19 he did assure me that he did mail it. In fact, he brought an  
20 envelope back that we recently mailed to him with the new  
21 information of the application for his license that was marked  
22 by the post office that it was empty when they received it.  
23 So weird things can happen.

24                   So absent any of that, I would suggest  
25 that if he pays his \$1,000 order that he be granted his

1 \$200,000 license. He qualifies in other respects.

2 MEMBER HUNT: When are we going to grant  
3 the license?

4 MEMBER NEAL: Well, do you remember when  
5 we found out about it, Carolyn? I mean, he notified us that  
6 he didn't have a license.

7 MS. LAZENBY: Which one is this?

8 MEMBER NEAL: It's the Carpenter Works.  
9 Steve Miller.

10 MS. LAZENBY: Uh-huh. When did he bid?  
11 Do you remember?

12 MEMBER NEAL: Midyear of '07.

13 CHAIR PARKS: When did we get the  
14 application? That's when he would have told us.

15 MEMBER NEAL: This was in December that he  
16 wrote Carolyn.

17 MS. LAZENBY: So I guess it would have  
18 been December.

19 MEMBER NEAL: So do you want to put a hold  
20 on his license for six months? That's pretty harsh.

21 MEMBER HUNT: I agree it's harsh, but if  
22 we're going to give him a consent order for unlicensed  
23 activity, we have to hold it six months.

24 CHAIR PARKS: The law says that.

25 MEMBER NEAL: Well, I think in the past

1 it's been when they actually bid. You have expanded that into  
2 when we were actually notified.

3 MEMBER SMITH: Made aware of.

4 MEMBER NEAL: In the past I think we have  
5 said that it was when he actually violated the law, is when  
6 the clock starts ticking.

7 MEMBER HUNT: I didn't realize we ever  
8 settled that debate.

9 MEMBER NEAL: We haven't settled it. It's  
10 just that we have.

11 CHAIR PARKS: The law says until six  
12 months after determination by the Board the violation has  
13 occurred. And you can read that two ways. You can determine  
14 the date of the violation and set it six months.

15 MEMBER NEAL: That would be my  
16 recommendation, but if the Board does not want to go along  
17 with that, that's fine.

18 MEMBER STILL: What's your recommendation?

19 MEMBER NEAL: That when he pays his  
20 consent for \$1,000 that he be issued his license.

21 CHAIR PARKS: Since it's been six months.

22 MEMBER STILL: I'll go with that.

23 MEMBER NEAL: I'll make that motion. Is  
24 there a second?

25 MEMBER SMITH: Second.

1 MEMBER HUNT: You're not the Chair.

2 MEMBER NEAL: I know it.

3 CHAIR PARKS: We have a motion on the  
4 table. All in favor say "aye."

5 THE BOARD: Aye.

6 CHAIR PARKS: And then your last one.

7 MEMBER NEAL: My last -- this is one where  
8 there was a bid submitted on July the 3rd, '07, for \$1,840,000  
9 by a heating and cooling company out of Alabama. According to  
10 them, they were unaware that they needed a license in order to  
11 quote a price. They had a license in Alabama and Florida and  
12 Georgia -- several states. It seems a little bit strange that  
13 they were unaware of that.

14 But, anyway, they bid on this project.  
15 Here's a copy of their bid back to July. I did tell them that  
16 due to the size of the job that minimum consent -- a citation  
17 for a consent order would be \$5,000, and it would be up to the  
18 decision of the Board as to how long they wanted to hold their  
19 license.

20 MEMBER SMITH: 1.5?

21 MEMBER NEAL: 1.8.

22 MEMBER SANDRELL: And they had no license,  
23 whatsoever, in Tennessee?

24 MEMBER NEAL: No. And the only license  
25 they could get when we finally give them a license will be

1 about \$550,000, based upon their financial statements. They  
2 qualify for more for experience, but not on financial.

3 So I'm looking for a recommendation of  
4 approval with the \$5,000 consent order, and then somebody say  
5 how long you're going to hold the license.

6 MEMBER STILL: How was it brought to the  
7 Board's attention that they had violated?

8 MEMBER NEAL: They indicated on their  
9 application that --

10 CHAIR PARKS: They turned themselves in?

11 MEMBER NEAL: Well, I'm thinking they did  
12 when they -- yes. They did. They checked "have."

13 Obviously, somebody had informed them.  
14 And I don't know who, but if I had to guess, it was some of  
15 the other bidders. It was on a local Nashville project. It's  
16 a pretty high-profile job. And for a 1,840,000 HVAC, that's a  
17 pretty good size job. So, yes, they did check it.

18 CHAIR PARKS: Okay. Well, you interviewed  
19 them and you talked to them. You can certainly recommend --  
20 you've already recommended the \$5,000 fine.

21 MEMBER NEAL: Yeah. Okay. Well, in this  
22 case I just have a hard time accepting the fact that this is a  
23 legitimate contractor.

24 CHAIR PARKS: Uh-huh.

25 MEMBER NEAL: I have a hard time accepting

1 that they didn't know they couldn't offer a bid in Tennessee.

2 CHAIR PARKS: I do, too.

3 MEMBER NEAL: So I would recommend six  
4 months hold on the license and pay the \$5,000 civil penalty.

5 MEMBER SANDRELL: But you said they  
6 couldn't get but what? 500,000.

7 CHAIR PARKS: They're under --

8 MEMBER NEAL: They agreed to that. They  
9 agreed to the 500-.

10 CHAIR PARKS: Okay. Does anyone else have  
11 any files from this morning or have questions or issues about  
12 them?

13 MEMBER HUNT: I just want a clarification.  
14 Is it six months from today?

15 MEMBER NEAL: Uh-huh.

16 MEMBER HUNT: I'm trying to be consistent  
17 with the ones prior to that.

18 MEMBER NEAL: He had a heart attack. And  
19 that may not be justification, but -- I mean, that's a little  
20 one-horse operation. A \$200,000 license. You know, he's  
21 probably not going to do anything that big even. But here's  
22 an outfit that's bidding on \$2 million jobs --

23 MEMBER SANDRELL: But they should have  
24 known doing that kind of stuff that they had to have a license  
25 in Tennessee.

1 CHAIR PARKS: So that's why he's properly  
2 penalizing him.

3 MEMBER HUNT: Did anyone use their quote  
4 on the job, or is that --

5 MEMBER NEAL: No. No. They bid the  
6 roster.

7 MEMBER HUNT: And they weren't used in the  
8 bid?

9 MEMBER NEAL: Well, according to them they  
10 called them and told them they couldn't do it because they  
11 found out they didn't have a Tennessee license.

12 CHAIR PARKS: Any other questions for  
13 Frank?

14 (Pause)

15 CHAIR PARKS: All right. We have a  
16 motion on the floor for acceptance of all these subject to the  
17 three that Keith pointed out and the three that Frank took  
18 appropriate action on. Any other discussion?

19 (Pause)

20 CHAIR PARKS: All in favor say "aye."

21 THE BOARD: Aye.

22 CHAIR PARKS: Opposed?

23 (Pause)

24 CHAIR PARKS: Unanimous.

25 Behind tab 6 are the revisions,

1 add classes, mode changes, name changes -- et cetera. Do we  
2 have a motion for acceptance?

3 MEMBER SMITH: Carolyn, I had one to add  
4 for adding the classification.

5 MS. LAZENBY: Yes. Harpeth Construction.

6 MEMBER SMITH: Uh-huh.

7 Harpeth Construction, LLC, add BCB. Its  
8 license number is 60063. I'm in possession of the PSI  
9 Examination Services score report for a pass. I'd like to add  
10 that to it. And, also, raise their monetary limit to 1.5 --  
11 1,500,000.

12 Harpeth Construction. 60063. I'd like to  
13 add that to our list.

14 CHAIR PARKS: Okay.

15 Also not on the list is one Telise brought  
16 me. It is related to license number 56183, which is in the  
17 name of Bomanite of the Midsouth, Incorporated, doing business  
18 as Artistic something or other. I run out of label.

19 Do we have a motion for acceptance of  
20 these various changes?

21 MEMBER STILL: So move.

22 CHAIR PARKS: Second?

23 MEMBER NEAL: Second.

24 CHAIR PARKS: Okay.

25 The one I've got to talk about Telise



1 brought to me this morning. And this number 56183 that I  
2 mentioned requested a BCA license after having had a spec  
3 builders license.

4 As Telise -- or I assume it was Telise.  
5 But somebody in the office went back through the background on  
6 this company. They found out that on the application he  
7 disclosed he formally had a home improvement license. Through  
8 further digging, Telise found out that he formally had a  
9 contractors license that was dissolved with outstanding  
10 complaints.

11 So on the -- this application he didn't  
12 mention the one that went away with outstanding complaints,  
13 nor did he mention it on his home improvement application.

14 Is that right?

15 MS. ROBERTS: I didn't have that one.

16 CHAIR PARKS: Okay. He had originally  
17 taken a test in 1995, and he wanted to have the test scores  
18 waived at this time.

19 My recommendation, probably, is to  
20 complete a new application and a new test and confirm  
21 resolution of the outstanding complaints from the original  
22 license.

23 And I don't know if I even have that  
24 number. Yeah. I do. 36708 be resolved before processing an  
25 application.

1 Anybody else have any questions or  
2 comments on those revisions?

3 (Pause)

4 CHAIR PARKS: All in favor of accepting  
5 the provisions and other changes for provocation say "aye."

6 THE BOARD: Aye.

7 CHAIR PARKS: Opposed?

8 (Pause)

9 CHAIR PARKS: Thank you.

10 LLE applicants come behind tab 7. I need  
11 a motion for approval of these.

12 MEMBER HUNT: So moved.

13 CHAIR PARKS: We have a motion. Is there  
14 a second?

15 MEMBER NEAL: Second.

16 CHAIR PARKS: Thank you.

17 Any discussion or questions?

18 (Pause)

19 CHAIR PARKS: All in favor say "aye."

20 THE BOARD: Aye.

21 CHAIR PARKS: Opposed?

22 (Pause)

23 CHAIR PARKS: Thank you.

24 Next tab is number 8, and it is proposed  
25 meeting dates for this year and next. I don't think we need

1 to necessarily approve those today, but everybody take that  
2 page with them and look for conflicts and notify Carolyn.  
3 We'll adopt the dates at the March meeting.

4 I don't like meeting two days before  
5 Thanksgiving.

6 MEMBER SMITH: Yeah. One day.

7 CHAIR PARKS: Well, I have a standard  
8 meeting the Tuesday before Thanksgiving, always. So that  
9 presents a problem. I'm not wild about doing it that week  
10 because it's a one day.

11 MEMBER NEAL: Can we move it up a week?

12 CHAIR PARKS: I think that's what we  
13 should consider. I know you haven't started looking for a  
14 space yet.

15 Next item on the agenda is Finance and  
16 Administration. I believe that's why Mr. Mike Fitts is here.  
17 You've been given a letter dated January 15th, signed by  
18 Loraine C. Wallace, related to a data center RFP for  
19 construction manager.

20 Mike, if you would introduce and explain  
21 this, I would appreciate it.

22 MR. FITTS: Yes, sir.

23 What happened is, we went out for CM --  
24 collection of a CM in November, and we got bids in. And we  
25 have the requirement written in there that says you will put

1 your name, your license number, your classification, and your  
2 expiration date on the outside of the envelope, in accordance  
3 with the law. We don't put the requirements for our  
4 mechanical and for plumbing because the CE doesn't have it at  
5 that point in time. So that's the way we bid.

6 This is what we had. We had three  
7 proposals. BF Chase, Incorporated, was a proposal. And what  
8 they did is, they submitted this box (indicating) with what  
9 you have there posted on the outside.

10 Now, from that, there is their names and  
11 addresses on it. And, of course, we can go to the licensing  
12 classification -- which is the second sheet -- and we can  
13 ascertain this from the classification and all that there.  
14 That's a waivable defect for the Building Commission in that  
15 we could ascertain whether they were qualified in the proper  
16 licensing and expiration, and so forth, with what's out here.

17 I just want to make sure from you-all's  
18 perspective that you treat it the same way or it's not.  
19 Because under a construction bid, if you don't fill in the  
20 blank, just -- you know, you're pitched. They're very, very  
21 restrictive. But on this issue I don't know how strict  
22 you-all are relative to --

23 CHAIR PARKS: My question is, by that  
24 label being on there, do you know there is no envelope inside  
25 that box?

1 MR. FITTS: I don't know what's inside  
2 this box. I didn't want to open it, you know, until kind of  
3 we had crossed this bridge.

4 CHAIR PARKS: How was that received?

5 MR. FITTS: It was hand delivered, I  
6 believe, to our offices. It was there on time and all that.

7 MEMBER STILL: So that is the actual  
8 outside?

9 CHAIR PARKS: I assume that's the  
10 envelope.

11 MR. FITTS: Yeah. That is what you have a  
12 copy of there.

13 So, you know, needless -- from the State's  
14 standpoint, I only have three. I'd like to have as many as I  
15 can get. Of course, they are a small firm.

16 MEMBER NEAL: Is it not unusual that a bid  
17 would be turned in that says do not open? I thought maybe you  
18 put this on there.

19 MR. FITTS: Well, I think we have a  
20 requirement of not opening because it has the costs included  
21 in it. I think that's --

22 MEMBER NEAL: I think if I were him I'd  
23 put on there do not open until bid opening date.

24 CHAIR PARKS: With the process, Mike, I  
25 recognize -- you know, somebody in there is expecting it but

1 maybe not her or him.

2 MR. FITTS: Uh-huh.

3 CHAIR PARKS: I think bidding -- you know,  
4 proposing construction management is bidding construction, and  
5 construction management is construction. Does anybody  
6 disagree with that much?

7 MEMBER NEAL: No.

8 CHAIR PARKS: The law in 62-6-119 about  
9 halfway down in (b) says, "Failure of any bidder to comply  
10 therewith shall void such bid and the envelope containing such  
11 bid shall not be opened or considered."

12 That's where it says you have got to have  
13 the license -- or various information and before that about  
14 HVAC contractors, which he's already said we know wouldn't be  
15 there on a CM proposal.

16 MEMBER SMITH: How long have you been  
17 holding that?

18 MR. FITTS: A month. A little over a  
19 month.

20 MEMBER NEAL: Have you opened the other  
21 two?

22 MR. FITTS: Yes. We haven't evaluated  
23 them, though. We go through an evaluation process.

24 MEMBER HUNT: I know sometimes we will  
25 submit a bid -- we'll FedEx one up to the State. We have a

1 FedEx envelope and then a smaller envelope with the window on  
2 it and all that on the inside.

3 MR. FITTS: Right.

4 MEMBER HUNT: So how do you know to open  
5 the FedEx when you receive it?

6 MR. FITTS: You don't.

7 CHAIR PARKS: You put an envelope in  
8 the --

9 MEMBER HUNT: Right. But how do we know  
10 there's not a --

11 CHAIR PARKS: Aren't these men behind you  
12 from Chase?

13 MR. FITTS: Yes.

14 CHAIR PARKS: Would you-all like to  
15 introduce yourselves and add anything to that?

16 MR. MORRIS: I'm John Morris with  
17 BF Chase. I'm the CEO.

18 I'm 99 percent sure it's -- there's an  
19 envelope in there that does contain that, but my secretary is  
20 at lunch so I can't confirm it.

21 MEMBER STILL: This has been out there for  
22 two months and you can't tell what's in the envelope?

23 UNIDENTIFIED SPEAKER: We didn't know  
24 there was an issue until today. We didn't know if it was us.

25 MEMBER STILL: Okay. If the proposal has

1 been --

2 UNIDENTIFIED SPEAKER: The issue -- we  
3 didn't know if it was necessarily us. They couldn't tell me.

4 MEMBER SMITH: I have to ask. Why the  
5 box?

6 UNIDENTIFIED SPEAKER: There's five copies  
7 in there.

8 CHAIR PARKS: So it points to this kind of  
9 thing --

10 MEMBER SMITH: So you get a box instead of  
11 the FedEx.

12 MEMBER STILL: Well, I want to see what's  
13 in there.

14 MR. FITTS: So do I.

15 MEMBER OWENS: You said you had other  
16 boxes. How were they addressed?

17 MR. FITTS: They had -- whatever was  
18 on the outside had their name, and then it listed the  
19 classification and it listed the license number and it listed  
20 their expiration date.

21 MEMBER OWENS: So you had --

22 MR. FITTS: We can go off the Web and find  
23 out all that information, is what I'm saying. From this  
24 information I could find it out. Now, as you said, in the law  
25 it says put it on the outside of the envelope.



1                   MEMBER NEAL: May I ask you another  
2 question?

3                   MR. FITTS: Yes.

4                   MEMBER NEAL: The other two boxes, did  
5 they have the proper information on the outside of the  
6 envelope on the box?

7                   MR. FITTS: Yes.

8                   MEMBER HUNT: Is this any different than  
9 when an envelope that doesn't have the information on it is  
10 opened and later we determine the bid is invalid?

11                  CHAIR PARKS: No. It's no different.

12                  MEMBER HUNT: If they were to open it --

13                  CHAIR PARKS: If the information is not  
14 inside on an envelope, then clearly it's an invalid bid.

15                  MEMBER STILL: Well, I was thinking it was  
16 improper to open one that wasn't properly --

17                  CHAIR PARKS: Well, I mean, it says it  
18 shall not be opened or considered.

19                  MR. FITTS: That's what I did.

20                  CHAIR PARKS: We all know there's been  
21 plenty of cases -- and we could each name a few probably --  
22 where we later told them it was rejected.

23                  MR. FITTS: If you-all deem it proper, we  
24 can open it and get that far --

25                  MS. LAZENBY: Let's just open it.

1 MR. FITTS: -- and then we can put it  
2 back.

3 CHAIR PARKS: Do you think we --

4 MEMBER NEAL: You and Cliff are acting  
5 like it's Christmas.

6 MEMBER WHITTINGTON: Well, the question we  
7 have to ask is, if he opens it and the required information is  
8 not in there, is it going to nullify the bid?

9 MEMBER STILL: It will nullify these  
10 people's bid, not the bid process.

11 CHAIR PARKS: Yeah. I would agree. I  
12 mean, that's how we've handled everything before. Seems like  
13 one involving you not too long ago --

14 MR. FITTS: Yeah.

15 CHAIR PARKS: -- with a state park or  
16 something.

17 MR. FITTS: Yeah. It was the marina.

18 CHAIR PARKS: Well, do we have a consensus  
19 that he can open the box?

20 MEMBER HUNT: Isn't it a Class A  
21 misdemeanor or something to do that?

22 (Laughter)

23 CHAIR PARKS: I'm not going to open it.

24 MEMBER STILL: Well, it looks like we've  
25 got two options -- or two I see. And that is to open the box

1 or wait until the secretary gets back from lunch and see if  
2 she can shed some light on this. And if that's the case,  
3 maybe she can or she can't -- or he -- since it's been a  
4 couple of months ago.

5 UNIDENTIFIED SPEAKER: If I might, there's  
6 also an envelope that come with that box, but it says do not  
7 open.

8 MR. FITTS: This is the cost proposal that  
9 goes with it (indicating), which would have been included.

10 MEMBER HUNT: When did you receive that?

11 MR. FITTS: Same time.

12 You know, in other words, the cost  
13 proposal we couldn't -- you know, it says for sure don't open  
14 that because you want to make sure we go through the  
15 evaluation and then look at the cost. And so we are asked  
16 that we are not supposed to open that, you know, early.

17 If this contains an envelope that has the  
18 right information, it would seem to me we could get -- we'd  
19 have a reason to say, well, this is just like the FedEx that  
20 came and you opened it up and it was within it.

21 MEMBER STILL: You're waiting on me to say  
22 something, aren't you?

23 If we open this box and go no further, I  
24 really don't see that any further than looking at an envelope  
25 and not opening it to see what's inside.

1                   MEMBER SMITH: Well, you open the box and  
2 see if the envelope has the proper information on it. If it  
3 has no information on it, you have to throw it.

4                   CHAIR PARKS: Or if there's five loose  
5 notebooks or five bundles --

6                   MEMBER STILL: I just want to make it  
7 clear for the record that we're not setting a precedence in  
8 this instance to allow you to open the box just in general.

9                   MEMBER HUNT: Well, but the real question  
10 is, is that the bid envelope, or --

11                  CHAIR PARKS: That's right. Nobody knows.  
12 We're going to find out.

13                  MR. FITTS: You-all promise not to sue me  
14 for the misdemeanor.

15                  CHAIR PARKS: Not for this one.

16                  MR. FITTS: All right, Mr. Chairman. I  
17 was going to congratulate you, but --

18                  CHAIR PARKS: From here I see -- well, I  
19 would -- you know, that's not an envelope, but there's  
20 information -- there's a piece of paper with all the right  
21 information on it that's on top of the booklets. That wasn't  
22 on the outside of the envelope.

23                  Isn't there -- what's the deal in the law  
24 about jobs under the Department of General Services, or  
25 something, that has to have it inside it or something? What

1 is that?

2 MS. LAZENBY: Yes. The Department of  
3 General Services puts it inside. It doesn't have to be on  
4 the outside.

5 CHAIR PARKS: Well, is that where you are?

6 MR. FITTS: That's where I am now.

7 CHAIR PARKS: No. No. Let's find that in  
8 the law, Carolyn.

9 MEMBER SMITH: Do you fall in that?

10 MR. FITTS: No.

11 MS. LAZENBY: It's on page 23.

12 CHAIR PARKS: However, bids administered  
13 by the Tennessee Department of General Services shall require  
14 the information be furnished within the bid or bid document  
15 and need not appear on the -- but this isn't administered by  
16 the Tennessee Department of General Services.

17 MR. FITTS: No. It's with the Building  
18 Commission.

19 MS. LAZENBY: There's no envelope there.  
20 What about electronic bids?

21 MEMBER NEAL: Is this bid for the bomb  
22 shelter?

23 (Laughter)

24 MR. FITTS: No. It's under contract.

25 MEMBER HUNT: Well, the question we had in

1 letting him open the box was whether that was the envelope or  
2 not. And I think the fact that there's not any other envelope  
3 inside, that box was the bid envelope. So, therefore, I don't  
4 think that's a conforming bid and can't be considered. And I  
5 make that in the form of a motion.

6 MEMBER SMITH: I thought you were leading  
7 up to something else.

8 MEMBER NEAL: I did, too.

9 MEMBER SMITH: I thought you were going to  
10 say and therefore run with it.

11 CHAIR PARKS: Well, I don't disagree with  
12 his opinion. I can't make it. I can't say.

13 MEMBER SMITH: I'll second it just because  
14 I'm sitting next to him. But let's discuss this. Why is it  
15 not a conforming -- I mean --

16 CHAIR PARKS: The information was not on  
17 the envelope. The --

18 MEMBER NEAL: In other words, if there was  
19 another envelope inside and it had all the information on it,  
20 then that would have been fine.

21 CHAIR PARKS: I mean, I would just have to  
22 assume that was like the FedEx envelope.

23 MEMBER SMITH: But the information was on  
24 the outside of the box.

25 MEMBER HUNT: No. It was not.

1                   MEMBER SMITH: But there was a cover  
2 letter.

3                   CHAIR PARKS: There was five or six  
4 proposals inside --

5                   MEMBER SMITH: But there was a cover  
6 letter -- or a coversheet that did have the correct  
7 information on it.

8                   MR. FITTS: No. It had the correct  
9 address. If that had been stuck on the outside instead of on  
10 the inside, we would've been okay.

11                  CHAIR PARKS: And with that form that had  
12 that information -- is that your form, or did they create that  
13 form? It didn't look like -- it looked like your form.

14                  MR. FITTS: That's our form.

15                  CHAIR PARKS: It should have been on the  
16 outside of the envelope.

17                  MEMBER STILL: But, nevertheless, before  
18 you could have gotten to the bid information -- or the  
19 requested information, that was the first thing. You had to  
20 get through that to get to the bid, just as if you had to get  
21 through -- if it were on the face of the envelope you'd have  
22 to get through that.

23                  MEMBER SANDRELL: And shouldn't that have  
24 been inside an envelope inside the box?

25                  MEMBER NEAL: That brown envelope --

1                   MR. FITTS: That's separate. That's the  
2 same thing. It's the cost proposal.

3                   CHAIR PARKS: I understand that.

4                   MEMBER SMITH: So we vote down to whether  
5 this information was in an envelope or not in an envelope.

6                   CHAIR PARKS: On an envelope.

7                   MEMBER SMITH: Or on an envelope. Since  
8 it wasn't on an envelope --

9                   CHAIR PARKS: Which our law specifically  
10 calls for.

11                   We have a motion and second. Is there  
12 other discussion or questions?

13                   MEMBER STILL: I've got another question,  
14 and I'll re-ask a question that you did about an e-mail --

15                   MS. LAZENBY: Electronic bids.

16                   MEMBER STILL: -- electronic bids. What  
17 is the rule on that? Obviously there's no envelope with an  
18 electronic bid either, but there would be what we would  
19 consider a coversheet, which would be the first sheet. But I  
20 don't know. Someone would have to refresh my memory.

21                   CHAIR PARKS: The rule -- and this is  
22 only talking about the subcontractor's bid received -- says  
23 regardless -- says something about regardless of how it's  
24 transmitted, provided there is failure to apply with the rule  
25 shall not require non-consideration -- et cetera, et cetera.



1 No. That really doesn't address that. Does it?

2 UNIDENTIFIED SPEAKER: Given this is  
3 construction management not taking sealed bids, basically  
4 what we are talking about is bidding qualifications and  
5 technical -- then a fee that's not -- or we haven't taken  
6 numbers that we're sealing that in. It's just qualification  
7 information arranged to be submitted separately.

8 CHAIR PARKS: But construction management  
9 is construction as defined by the law. And Mr. Fitts has  
10 already said in taking the bid this stuff should be on the  
11 envelope.

12 Didn't you?

13 MR. FITTS: Yes.

14 MEMBER NEAL: Was there any sort of a  
15 preliminary estimate put out to advise bidders what they were  
16 bidding on?

17 MR. FITTS: Yes. In other words, they  
18 have RFP documents -- proposal documents were sent out that  
19 had all the specifics in it. You know, it did say put this on  
20 the outside of the envelope.

21 The logic -- our logic would be a waivable  
22 standpoint that this, in essence -- even though we said put it  
23 on that envelope to be submitted -- has that same information  
24 discernible on it. In other words, I can get everything  
25 that's on the outside of the envelope from this sheet of paper

1 here.

2 MEMBER NEAL: Straighten up -- excuse me.

3 MEMBER SMITH: Go ahead.

4 MEMBER NEAL: Straighten up my confusion  
5 about -- you're saying that it is a waivable issue in this  
6 instance but not in the construction bid procedures.

7 MR. FITTS: Well --

8 MEMBER NEAL: Because if it is -- I mean,  
9 you know, you can waive it.

10 MR. FITTS: The Building Commission does,  
11 but you-all don't. You-all have it on a per construction  
12 project. In other words, if you don't fill in the license  
13 number --

14 MEMBER NEAL: Throw it out.

15 MR. FITTS: The Building Commission kind  
16 of waives that. If you have the number and the guy, then you  
17 can ascertain if he's licensed or not.

18 MEMBER NEAL: All right.

19 MR. FITTS: But they're looser than this  
20 group.

21 MEMBER SMITH: Well, if you had written --  
22 or requested an opinion and we had just written you and said  
23 you may open the box, then would you have considered that  
24 proposal?

25 CHAIR PARKS: Well, let me ask Beth, does

1 the State Building Commission have to go with our law?

2 MS. TARTER: I would think so. This is  
3 the first I've heard --

4 CHAIR PARKS: It specifically states it in  
5 the act. Does it say you have to?

6 MR. FITTS: Oh, yes. We have to --

7 MEMBER NEAL: So you've just been --

8 MR. FITTS: That's the reason I'm down  
9 here, because we've got to comply with --

10 CHAIR PARKS: Well, I know you attempt to.  
11 But we got into this -- and I remember the issue with the  
12 daycare center for East Tennessee State University, and they  
13 didn't have to have a license. They were the state --  
14 whatever they are --

15 MR. FITTS: Yeah. That's when the State  
16 was building it. Yeah. But it's a state law.

17 CHAIR PARKS: Okay.

18 MR. FITTS: You-all are part of the State.

19 CHAIR PARKS: I understand that.

20 MR. FITTS: It's a state law. We have to  
21 abide -- that's what I'm saying. That's the reason I came. I  
22 want you-all's interpretation. If you-all's interpretation  
23 says I can't do it, I can't do it.

24 CHAIR PARKS: Any other discussion?

25 MEMBER HUNT: What department are you

1 with, again?

2 MR. FITTS: It's hard to say what  
3 department I'm with.

4 MEMBER HUNT: This bid.

5 MR. FITTS: Department of Finance and  
6 Administration accepted this. They're basically -- there  
7 are three procurement agencies for construction outside of  
8 General Services. But you've got the University of  
9 Tennessee's system procures, the Board of Regents' system  
10 procures, and then you have the Finance and Administration  
11 that procures on behalf of all the rest of the State  
12 departments, like corrections and mental health and so forth.  
13 And this one is.

14 And so Finance and Administration handles  
15 the administration of construction projects, whether it be a  
16 prison or a picnic shelter or whatever. So this falls within  
17 that. And the Finance and Administration issued this and  
18 received the proposal.

19 MEMBER NEAL: And you're saying Finance  
20 and Administration, if they don't ask sometimes they go ahead.  
21 Is that -- I find it a little bit unusual because everybody  
22 has got to put all that information on the outside.

23 MR. FITTS: I mean, with bids -- we've  
24 been through it with bids, and it's pretty cut and dry because  
25 of interpretations you-all have had. If we didn't put in the

1 license number, it's out. Usually it's a subcontractor and  
2 his license, or they didn't fill in -- or if you don't fill in  
3 who's doing it -- if you don't fill in that I'm doing the work  
4 for HVAC -- if you don't put anything in there, they're thrown  
5 out. I understand that.

6                   This is -- to me this is tempered a little  
7 bit from that. I see from looking at it just broadly, but I  
8 see the validity for being that strict on mechanical,  
9 electrical, and plumbing. When it comes to just the general  
10 contractor, he can't say anything different than what I can  
11 discern from what's on this paper here. In other words, he  
12 can't say, well, I didn't mean this; or, well, I meant to have  
13 another set of contractors; or I really wasn't doing that  
14 well. He can't really change anything.

15                   And so I can get all the information for  
16 the general contractor through what he submitted. That's the  
17 reason -- you know, the reason I tend to lean toward it ought  
18 to be acceptable. And that's why I said the Building  
19 Commission would accept that as equivalencies which you can  
20 do. But you-all's board has to rule consistently.

21                   CHAIR PARKS: All right. Is there other  
22 discussion?

23                   MEMBER STILL: One quick question.

24                   CHAIR PARKS: Okay.

25                   MEMBER STILL: Do you have a legal opinion

1 of this?

2 MS. TARTER: I mean, I think what it  
3 sounds like you-all are talking about is correct. It  
4 sounds like -- I mean, it's not applying with the statute. So  
5 it's that cut and dry, from the way I'm looking at it.

6 MEMBER NEAL: But, you know, if he hadn't  
7 come up here with this box and he had just opened the box and  
8 if they were low, he would have given them the job and nobody  
9 would say anything about it. Because I don't know that he can  
10 complain.

11 CHAIR PARKS: It wasn't a public --

12 MEMBER NEAL: That's the thing. Like you  
13 said, there's no subs listed. There's no license numbers that  
14 are left off and this, that, and the other.

15 CHAIR PARKS: He said --

16 MEMBER NEAL: It's in the box. It was  
17 just not in a bid envelope. I mean, the thing you looked at  
18 had all the --

19 CHAIR PARKS: I agree.

20 MEMBER STILL: Call for the motion.

21 CHAIR PARKS: Cliff, would restate your  
22 motion, please?

23 MEMBER HUNT: I'll do my best. Basically,  
24 my motion was that we allowed him to open the box to make a  
25 determination whether or not that was, in fact, the box

1 acting -- or was the bid envelope. And since there wasn't  
2 another envelope inside with the information on it that we  
3 determined that it's nonconforming with the statute.

4 CHAIR PARKS: And, Reese, you seconded,  
5 right?

6 MEMBER SMITH: I seconded before I heard  
7 some further discussion.

8 What do you think, Larry?

9 CHAIR PARKS: I think strictest  
10 interpretation of the law -- I'm with Beth. It doesn't comply  
11 with the strictest interpretation of the law.

12 MEMBER SMITH: I second.

13 CHAIR PARKS: I think we need a roll call  
14 vote.

15 MEMBER WHITTINGTON: Aye.

16 MEMBER OWENS: Aye.

17 CHAIR PARKS: Glenn?

18 MEMBER STILL: No.

19 CHAIR PARKS: Mr. Neal?

20 MEMBER NEAL: I agree with the motion, but  
21 I'm going to vote against it. No.

22 MEMBER SMITH: I vote aye.  
23 Smith.

24 MEMBER HUNT: Aye.

25 MEMBER SANDRELL: Aye.

1 CHAIR PARKS: Five to two.  
2 MEMBER NEAL: Win some, lose some.  
3 MR. FITTS: I understand.  
4 CHAIR PARKS: I honestly think people lay  
5 awake at night looking for new twists to bring to us.  
6 MEMBER NEAL: Did you just peek at it?  
7 MR. FITTS: No.  
8 MEMBER NEAL: What size job was it?  
9 MR. FITTS: Huh?  
10 MEMBER NEAL: What size job?  
11 MR. FITTS: \$30 million.  
12 MEMBER SMITH: CM?  
13 MR. FITTS: Yeah.  
14 MEMBER NEAL: He'll be CM for a  
15 \$30 million job.  
16 MR. FITTS: I wanted the competition. I  
17 understand where you-all live.  
18 CHAIR PARKS: I hope you do.  
19 MR. FITTS: I do. I do.  
20 MEMBER NEAL: I was tired of voting  
21 against everything you brought up here. That's why I decided  
22 I would vote for you.  
23 MR. FITTS: Thank you for your time.  
24 CHAIR PARKS: All right. Thank you. Good  
25 to see you, Mike.



1                   Legal report, Beth.

2                   MS. TARTER: One thing I was going to ask  
3 you guys was, we didn't do a Commercial Subcommittee. Do you  
4 guys want to review it as a full board? Do we want to appoint  
5 a subcommittee and take a break and review it real fast?

6                   CHAIR PARKS: How many of them are there?

7                   MS. TARTER: Six.

8                   CHAIR PARKS: What's the Board's pleasure?

9                   (Pause)

10                  CHAIR PARKS: Obviously, the Board doesn't  
11 know.

12                  MEMBER STILL: Let the Residential retire  
13 and the Commercials review.

14                  CHAIR PARKS: Okay. That's fine.

15                  MS. TARTER: We can do the Home  
16 Improvement real fast, if you-all want; or do you-all want to  
17 take a break?

18                  (Documents tendered to the Board.)

19                  CHAIR PARKS: This is the Home  
20 Improvement?

21                  MS. TARTER: Home Improvement is first.  
22 Commercial is at the end of that other one. It's the last  
23 six.

24                  MEMBER SMITH: Residential is in front.

25                  MS. TARTER: Right. Residential is in

1 front of the thick one, and then Commercial is in the back of  
2 it.

3 MEMBER SMITH: Right. You said  
4 Home Improvement.

5 MS. TARTER: Sorry. Home Improvement is  
6 separate.

7 CHAIR PARKS: All right. Mr. Still did  
8 not want to be a part of the Commercial.

9 MS. TARTER: I actually need a few moments  
10 anyway.

11 CHAIR PARKS: All right. Well, let's take  
12 about a ten-minute break.

13 Marvin, Ernest, and I will be the  
14 Commercial Subcommittee and look real quick -- or Marvin,  
15 Ernest, and Cliff. How's that?

16 MEMBER HUNT: I liked the first one.

17 CHAIR PARKS: Okay. I'll do it. Marvin,  
18 Ernest, and I will -- yeah. And these need to start -- it  
19 looks like the bottom of page 15.

20 Ernest, you take 1 and 2.

21 Marvin, you take 3 and 4.

22 I'll take 5 and 6. Come back with a  
23 recommendation in about ten minutes.

24 MS. TARTER: And I actually have the  
25 files that Glenn and Keith wanted me to pull. I can go over

1 with those.

2 (Break in the proceedings.)

3 CHAIR PARKS: Let's go back on the record.

4 First is Residential Subcommittee recommendations. Who is  
5 going to handle that?

6 Beth, you, or the Residential Committee?

7 MS. TARTER: Residential Subcommittee met.  
8 They basically approved them, but I know you guys had some  
9 specific questions on a couple. I pulled the files on them.  
10 I don't know if you just want me to point out the specific  
11 ones or if anybody has any other questions.

12 CHAIR PARKS: I'll let you make them. I  
13 mean, if it needs to be on the record -- I guess if there is  
14 something varying from what's on this report it needs to be on  
15 the record.

16 MS. TARTER: Right. I think, basically,  
17 all the recommendation were okay, but I'm not sure if the  
18 questions they had might affect what we were going to do. So  
19 I'll just go through the ones that people had questions on.

20 CHAIR PARKS: Okay.

21 MS. TARTER: Number 31, Reese had brought  
22 up what the amount of the contract was. And I looked that up.  
23 You were concerned about the 1500 civil penalty.

24 MEMBER SMITH: Yes.

25 MS. TARTER: The amount was 289,950.

1 That's the amount of the contract.

2 MEMBER SMITH: Okay.

3 MS. TARTER: So that's okay?

4 MEMBER SMITH: Uh-huh.

5 MS. TARTER: Okay. Thank you.

6 And then Keith had a question on  
7 number 45. Basically there was a lack of information -- or  
8 evidence in the file about what the contract was -- what the  
9 amount was. I reviewed the file. I still can't find a cost  
10 of the contract. There's no written contract in the file.  
11 What I could gather was this was one of those log home package  
12 things where, I believe this contractor was brought in to  
13 finish out after the dry-in process.

14 And forgive me if I'm not using the  
15 terminology correctly.

16 Basically, there's nothing in the file  
17 saying what the amount was. They just listed the cost of  
18 their purchasing the log home, not the cost of what the job  
19 was.

20 MEMBER WHITTINGTON: Let's just go with  
21 your recommendation to close, then.

22 MS. TARTER: Okay.

23 And then Keith also had a question on 51.  
24 This was one involving a modular home. And the suggestion was  
25 to close it with a letter to refer it over to Fire Inspection,

1 which does licensing of modular homes.

2 He wanted to know if this was a  
3 licensed contractor, as well. I can't find that they're  
4 currently licensed. They did have a license that expired in  
5 2005, though. I did find that in the file.

6 What I was going to see is maybe --  
7 since this is involving a modular home -- refer it to  
8 Fire Inspection for the time for them to investigate with a --  
9 refer it back to us pending their findings of what they are  
10 able to determine -- if there's any fraud or -- you know --  
11 misconduct on the part of this person and if it's a licensed  
12 contractor, as well.

13 MEMBER WHITTINGTON: Do they follow up on  
14 that good?

15 MS. TARTER: They do. And we -- because I  
16 know the attorneys that handle it. So I can make sure that  
17 they do it that way.

18 CHAIR PARKS: I think you should flag our  
19 file -- our expired file about this --

20 MS. TARTER: Okay.

21 CHAIR PARKS: -- should he ever try to  
22 reapply.

23 Any other comments on Residential?

24 (Pause)

25 CHAIR PARKS: Is that it, Beth?

1 MS. TARTER: That's all the questions that  
2 I looked up.

3 CHAIR PARKS: May I have a motion for  
4 acceptance on Residential?

5 MEMBER SMITH: So move.

6 CHAIR PARKS: Motion. Any discussion or  
7 other questions?

8 (Pause)

9 CHAIR PARKS: All in favor say "aye."

10 THE BOARD: Aye.

11 CHAIR PARKS: Opposed?

12 (Pause)

13 CHAIR PARKS: Next is Home Improvement.  
14 That's on a separate document passed out. It's three pages,  
15 it looks like. There's about eight Home Improvement cases on  
16 it.

17 Beth, I'll let you handle this.

18 MS. TARTER: Yes. And this was actually  
19 already disseminated to the Home Improvement Committee  
20 members, and they've all three gotten back to us, via e-mail,  
21 confirming that they agree with the suggestions.

22 CHAIR PARKS: May I have a motion for  
23 acceptance?

24 MEMBER HUNT: So moved.

25 CHAIR PARKS: Second? Is there a second?

1 MEMBER SANDRELL: Second.

2 CHAIR PARKS: Discussion?

3 (Pause)

4 CHAIR PARKS: All in favor say "aye."

5 THE BOARD: Aye.

6 CHAIR PARKS: Opposed?

7 (Pause)

8 CHAIR PARKS: Thank you.

9 All right. Now the Commercial.

10 Ernest, you had 1 and 2.

11 MEMBER OWENS: I'm recommending that this  
12 be a letter of warning, and also on number 2 I'm recommending  
13 a letter of warning.

14 CHAIR PARKS: Okay. Marvin?

15 MEMBER SANDRELL: Number 3 says that the  
16 complaint of the contractor's license BC-A was pulling BC-B  
17 permits, but an inspector could not confirm this. Respondent  
18 says that he was working with a friend, but there was no proof  
19 he wasn't overseeing this project.

20 I say if there was no proof or nothing, I  
21 guess I recommend that, really, there was no proof.

22 CHAIR PARKS: Going with the  
23 recommendation. Okay.

24 MEMBER SANDRELL: And then on the other  
25 one, number 4, complaints about that bid -- if they initially

1 said price this separate -- individually and not as a whole  
2 project, then I guess I recommend going that way.

3 CHAIR PARKS: Which is to dismiss?

4 MEMBER SANDRELL: Right.

5 CHAIR PARKS: Okay. Thank you.

6 And I'm okay with 5 and 6 as recommended  
7 by Beth.

8 So I'll accept a motion for acceptance of  
9 the six Commercial complaints.

10 MEMBER NEAL: So moved.

11 CHAIR PARKS: Second?

12 MEMBER STILL: Second.

13 CHAIR PARKS: All in favor say "aye."

14 THE BOARD: Aye.

15 CHAIR PARKS: Opposed?

16 (Pause)

17 CHAIR PARKS: Thank you.

18 MS. TARTER: Thank you.

19 CHAIR PARKS: Thank you.

20 Now we're up to the discussion portion of  
21 our meeting. It may have been only two of us -- or it may  
22 have been more than two of us that learned when Carolyn sent  
23 us the oral exam policy by e-mail that there was a law change  
24 last July 1st. And it changed the wording in our law that  
25 said an exam may be written and/or oral to -- it basically had



1 to be written unless that was precluded by a reason of  
2 disability.

3 That's on the first page behind tab 9, by  
4 the way.

5 So in order for us to do an oral or verbal  
6 exam going forward, we have to do what's on page 2 of this,  
7 which is, we have to define disability -- that ought to be  
8 enjoyable -- and establish policies for doing these exams.

9 Carolyn, can you add anything to this?

10 MS. LAZENBY: Pretty much it's -- you  
11 don't have to make a decision today. It is something you-all  
12 can think about. Again, it can be something that comes up as  
13 a case-by-case basis and review. You can get with Legal and  
14 say, okay, is this a disability or -- it's something you may  
15 not have to act on.

16 It's just pretty much to let you know that  
17 no longer the policy is effective to give an oral if they fail  
18 an exam three times. So it's sort of up to you-all how  
19 you-all want to handle that.

20 PSI does have special exams for people  
21 with disabilities. So, certainly, we'll try and engage people  
22 to go that route. But if something comes up --

23 MEMBER NEAL: Do they have disabilities  
24 for language?

25 MS. LAZENBY: Language is not considered

1 a disability unless that's something you-all define as a  
2 disability. It's not considered one under --

3 MEMBER NEAL: Well, they don't have one.  
4 I don't know anybody here that speaks Spanish much.

5 CHAIR PARKS: But as a PSI, they don't  
6 have to offer a Spanish exam?

7 MS. LAZENBY: No. They say that's in code  
8 books about Spanish.

9 CHAIR PARKS: Okay.

10 MEMBER NEAL: Looks like the first three  
11 are legislative, but the number 4 --

12 MS. LAZENBY: But the things I've listed  
13 are already things listed with PSI.

14 CHAIR PARKS: So they accept 1 through 3?  
15 They've defined --

16 MS. LAZENBY: Right.

17 CHAIR PARKS: -- if someone presents  
18 themselves saying they have a learning disability --

19 MS. LAZENBY: Right.

20 CHAIR PARKS: -- I guess they have to  
21 prove it.

22 MS. LAZENBY: Yeah. They have to submit  
23 medical documentation or a letter from a guidance counselor at  
24 a school -- somebody that will document --

25 CHAIR PARKS: And I know that I have done

1 oral interviews in the past on predominantly older contractors  
2 that may have been in a rural area that are just now needing  
3 to be licensed that they could not read. They admit it.  
4 They just simply could not read. And I guess -- will PSI  
5 provide a reader?

6 MS. LAZENBY: They will.

7 CHAIR PARKS: That's not technically a  
8 disability.

9 MS. LAZENBY: I guess that's like a  
10 learning disability.

11 MS. TARTER: That's what I was going to  
12 ask. I'm not sure how PSI did it, but that would be my  
13 biggest question. Because I brought that in, too.

14 MS. LAZENBY: PSI treats it as a learning  
15 disability.

16 MS. TARTER: But, I mean, how do they --  
17 you don't know how they document it or anything like that?

18 MS. LAZENBY: They ask for either  
19 something from a medical doctor or from a school -- like a  
20 guidance counselor from a school. It's probably very hard to  
21 document, so I guess whoever does have that disability would  
22 be rare to get those.

23 CHAIR PARKS: Does anybody have any other  
24 thoughts or comments on how we want to address this?

25 You said we don't need to act on it today?

1 MS. LAZENBY: Right. You don't have to  
2 come up with a policy today. It's something you can think  
3 about, and -- I mean, it could be something that if it  
4 comes up -- if a situation comes up we could address it then.

5 MEMBER HUNT: I've got two things. One,  
6 back to the language, I'm not sure -- I'm not sure I want a  
7 blanket policy that says we won't consider language. I'm not  
8 sure I want to read about that in the paper.

9 CHAIR PARKS: Well, I agree.

10 MEMBER HUNT: What if we took these four  
11 things as examples of what may be considered but make it a  
12 policy that they have to -- I was going to say submit  
13 something in writing. But they have to submit a reason -- a  
14 detailed reason of why they should be considered for an oral  
15 exam. And the reason needs to lay out their disability that  
16 would qualify them for an oral exam. And just list these four  
17 as examples of items that may be considered.

18 CHAIR PARKS: These four, but not limited  
19 to.

20 MEMBER HUNT: Right. Right.

21 CHAIR PARKS: Yeah.

22 MS. TARTER: Can I ask something --

23 CHAIR PARKS: Yes.

24 MS. TARTER: -- that might offend?

25 Elderly -- I mean, are we -- what's encompassed in that?

1 Would that include, like, vision problems and things like  
2 that? I can't see the -- I don't know. I just didn't know if  
3 PSI -- okay.

4 MS. LAZENBY: I guess a good example would  
5 be someone maybe that had been grandfathered in that's worked  
6 for a contractor for 30 -- 40 years that knows it inside out,  
7 but they can't take tests or they're not familiar with  
8 computers. They know the work, but the exam scares them.  
9 We've given orals to people in their eighties, I believe.

10 CHAIR PARKS: Or the ability to take a  
11 code book and cite why something has to happen, yet they know  
12 exactly how to frame a HUD or roof that is bare or whatever.

13 MS. LAZENBY: I know when I first started  
14 working for the Board there were several contractors that  
15 couldn't read and write. It's not as common now.

16 MEMBER HUNT: Four of them were board  
17 members, too.

18 MS. LAZENBY: Yeah.

19 CHAIR PARKS: Were.

20 MS. LAZENBY: But you're right, we don't  
21 have it very often now. It's just a few cases of where we've  
22 had somebody elderly that worked for somebody for years and  
23 that company has gone out of business and they want to keep up  
24 with the company, but they're stuck with not being able to  
25 keep the company because they have not passed the test.

1                   MEMBER SMITH: Could "experienced" be a  
2 word there instead of "elderly"?

3                   MEMBER HUNT: Youth challenged.

4                   MS. TARTER: I was thinking just maybe  
5 like -- I don't know -- unfamiliarity. I didn't realize the  
6 exam was completely done on the computer. So I'm sure there's  
7 lots of people that have difficulty even seeing the -- I mean,  
8 that might even go into like seizure people, people with  
9 epilepsy.

10                  MS. LAZENBY: Right.

11                  MS. TARTER: I mean, that could encompass  
12 a lot of things. So I don't know. I think it might be a good  
13 idea to just kind of come up with vague terms that we could  
14 use in consideration. I just didn't know what was meant by  
15 elderly, as far as what all that included.

16                  MS. LAZENBY: Yeah.

17                  MS. TARTER: I didn't want to ruffle any  
18 feathers.

19                  MS. LAZENBY: Right.

20                  MS. TARTER: The other thing I was -- this  
21 made me think about is, if that BCAR -- when we get that BCAR  
22 ruled in where they're going to be expiring, wouldn't that  
23 make a bunch of other elderly people that were previously  
24 going under that license -- they're probably coming up for  
25 getting licenses soon. So --

1                   MEMBER HUNT: Now, that's mostly young  
2 real estate agents.

3                   MS. TARTER: Is it?

4                   MEMBER HUNT: Yeah.

5                   MS. TARTER: Because I knew they'd have to  
6 take an exam. I didn't know how many might be in there.

7                   MS. LAZENBY: Do you-all still have the  
8 provision that they don't have to take an exam for the BCAR?

9                   MS. TARTER: Oh, that's right.

10                  CHAIR PARKS: Might I suggest -- to keep  
11 us moving further down in the book -- that Carolyn do a  
12 schedule? She'll be meeting with various national people with  
13 the staff and one with the board between now and our March  
14 meeting.

15                  MS. TARTER: Right.

16                  CHAIR PARKS: So maybe she should ask how  
17 they would address this, and then maybe in March we would  
18 spend some time on it.

19                  In the meantime everybody consider and  
20 come up with examples, and then we can attempt to write a  
21 policy in March.

22                  Is everybody okay with that?

23                  MEMBER NEAL: Yes.

24                  MEMBER HUNT: Well, for now we're doing  
25 away with three failing tests and all that?

1 CHAIR PARKS: That's gone by law.

2 Apparently, last July, and we didn't know it.

3 All right. Next says rulemaking.

4 The next section in our book is something Cliff, Beth, and I  
5 were in charge of working on at the November meeting. I know  
6 that Cliff and I have worked on it. I'm not sure we included  
7 Beth.

8 MS. TARTER: That's okay.

9 CHAIR PARKS: What is printed in the book  
10 is one of the recent e-mails, but over the weekend Cliff and I  
11 tweaked the language a little bit. I think that's enough to  
12 go both ways.

13 (Documents tendered to the Board.)

14 CHAIR PARKS: And what I'm passing out is  
15 a cleaned-up version with possibly another wording change or  
16 two from what is in our books. And this deals with the issue  
17 of multiple classes and multiple limits and problems we've had  
18 recently -- or somebody had. The Board had a difference of  
19 opinion on what a contractor could and couldn't do.

20 Beth, we, obviously, cannot adopt this as  
21 rule today. It has to go through a rulemaking hearing, right?

22 MS. TARTER: Correct.

23 CHAIR PARKS: So I guess we can just take  
24 this -- everybody take it, read it, and review it, and send  
25 comments back to Cliff and I, please. And then one of these



1 days we're going to have a rulemaking hearing, right?

2 MS. TARTER: We're supposed to have one  
3 in March. And if, arguably -- God willing -- you-all can get  
4 a -- if you can agree on it before the end of the month, I can  
5 file a notice of rulemaking, in theory, on time to catch it  
6 for the March meeting.

7 CHAIR PARKS: Okay.

8 MS. TARTER: But that would be that you  
9 guys could agree on the language generally.

10 CHAIR PARKS: And I might point out that  
11 another discussion we've had -- and I make reference to it on  
12 top of the page -- we've always, as a board, I think, overall  
13 been bothered by the fact that a sub who we licensed for -- a  
14 mechanical sub we license for a half a million dollars, for  
15 example, can sign a half-a-million dollar installation  
16 contract and still have the equipment furnished by the  
17 owner. So he was basically -- approximately doing an 800- --  
18 \$900,000 -- million-dollar job depending on -- this removes  
19 that exemption and rewrites 680-1-.13.

20 MEMBER NEAL: Down here under (b) it says  
21 in case of multiple classifications. So it may not be  
22 combined, but the total may not -- may be combined, but the  
23 total may not exceed the monetary limit on one license.

24 So, in other words, if the guy has got  
25 2 million in mechanical and 2 million in electrical, he can

1 bid up to \$2 million for each mechanical and electrical.

2 CHAIR PARKS: But he can't -- no. He  
3 can't have more than 2 million on that job, but he could turn  
4 in a bid for both, I guess.

5 MEMBER NEAL: Well, I mean, that's what  
6 I'm asking.

7 CHAIR PARKS: Yeah.

8 MEMBER NEAL: It would be \$4 million,  
9 though.

10 CHAIR PARKS: Yeah. But he'd have to make  
11 it clear to the general you can't award me but one of those.

12 MEMBER NEAL: Why? We gave him a license  
13 for \$2 million for mechanical and \$2 million for electrical.  
14 I mean, that wouldn't fly.

15 MEMBER STILL: I don't understand that at  
16 all. We have had that disagreement so many times.

17 CHAIR PARKS: I know it.

18 MEMBER NEAL: I mean, how could you give a  
19 guy \$2 million electrical and \$2 million mechanical and then  
20 tell him, well, you can bid them both but you can't be getting  
21 but one because it's more than 2 million if you add the two of  
22 them. Well, he's not adding the two of them. He's just doing  
23 what we said he could do.

24 MEMBER SMITH: I think the reasoning --  
25 whether I agree or not -- is he would have a \$4 million job

1 there.

2 MEMBER NEAL: Well, no, he's got two  
3 \$2 million jobs.

4 CHAIR PARKS: You're right. I agree. I  
5 totally agree. We tried to do this based on the pleasure of  
6 the board meeting two months ago. Now, if we're here now in  
7 the new year, new month, our opinion is going to change.

8 MEMBER HUNT: Well, let me ask you this,  
9 Frank, what's the logic for looking at working capital and  
10 net worth and setting a limit?

11 MEMBER NEAL: Well, you have to look at  
12 it. I mean, if he does not qualify for that -- in other  
13 words, you're saying he should have to qualify for \$4 million  
14 financially, as opposed to --

15 MEMBER SMITH: That's the argument.

16 MEMBER NEAL: -- \$2 million otherwise.

17 MEMBER HUNT: Yeah. And there's nothing  
18 magical about our ten times. I don't know when that was  
19 determined, but that was probably a little bit arbitrary. But  
20 we look at the working capital and the net worth because  
21 that's determines how he can pay his bills. How long -- you  
22 know, if a guy has \$10,000 working capital, he can't bankroll  
23 \$10 million a project.

24 MEMBER NEAL: I don't disagree with that  
25 at all, but the guy that's got \$300,000 can't have an

1 unlimited license and bid 15 \$400 million jobs. But we say he  
2 can.

3 MEMBER HUNT: That's a different issue.  
4 The fact that we have monetary limits to assign the 3 million  
5 then it wasn't unlimited -- some states assign specific  
6 limits. They don't have that limit. They just go all the way  
7 up.

8 MEMBER NEAL: That's true. And if they  
9 don't have the experience -- I mean, I don't give them  
10 unlimited just because they've got \$300,000 either. But --

11 MEMBER HUNT: But you can't give them  
12 6 million if we had limits.

13 MEMBER NEAL: Well, based on what you're  
14 saying, if this mechanical guy and this electrical guy  
15 qualifies for unlimited financially and we only give him  
16 \$2 million because of his experience, then that doesn't  
17 make -- that don't work either. I mean, you would have to  
18 look at each individual case. I buy that. But I don't know  
19 how you can limit a guy to say he can't do that.

20 MEMBER SMITH: If he had unlimited he  
21 could win every bid.

22 MEMBER NEAL: Yeah. Every one he wanted  
23 to bid that day.

24 MEMBER WHITTINGTON: But what you're  
25 saying is, he could bid \$2 million for electrical and

1 \$2 million for mechanical --

2 MEMBER NEAL: That's right. Because we  
3 gave him the license that says he can.

4 MEMBER WHITTINGTON: -- and we gave him  
5 the license, then what's being recommended is that he can't do  
6 that. Am I understanding that?

7 CHAIR PARKS: Wait. Let's -- what this --  
8 where this started is these people that have, for example,  
9 CMC 2 million and CE 500,000. Nobody has a license that has  
10 CE 2 million and CMC 2 million. They have a license that has  
11 CE, CMC, and 2 million, if you go back to the paperwork piece  
12 of it.

13 So what started this was different limits  
14 on different classes and their ability to add -- combine. And  
15 your license is issued for a project.

16 MS. LAZENBY: What was the issue with that  
17 last bid protest? Weren't they bidding --

18 CHAIR PARKS: Somebody had a million and a  
19 half limit, I think, and bid three different jobs -- I mean,  
20 bid plumbing, HVAC, and electrical.

21 MEMBER NEAL: He was combining those  
22 numbers to get it. He didn't bid \$1 million -- well, he bid a  
23 million -- over \$1 million on electrical, and he only had a  
24 \$500,000 license.

25 CHAIR PARKS: Right.

1                   MEMBER NEAL: If they have a limit -- all  
2 I'm saying is that they ought to be able to bid up to their  
3 limit plus their 10 percent. But that guy was combining his  
4 to come up with enough to get one where he was \$1 million over  
5 his limit.

6                   CHAIR PARKS: Yeah.

7                   MEMBER NEAL: But, I mean, there are  
8 several people out there that have got CMCs -- I mean, MCs and  
9 CEs that have got split limits.

10                  CHAIR PARKS: That's right.

11                  MEMBER NEAL: And they sure think they can  
12 bid on -- well, I just never heard they could not bid on a job  
13 and not be awarded but one of them if it exceeded their single  
14 limit on one of those classifications. I never heard of  
15 one where we -- a guy has got \$2 million in mechanical and  
16 \$2 million in electrical and couldn't bid and get both of  
17 those jobs if he was low.

18                  CHAIR PARKS: But the limits are per  
19 project. The limits on the license -- the example you just  
20 used, that's going to be one license that's got two classes  
21 and one limit. It doesn't have two -- the example I used has  
22 two classes and two limits -- different limits. And so --

23                  MEMBER NEAL: You can't combine them. I  
24 agree with that.

25                  CHAIR PARKS: Yeah.

1                   MEMBER NEAL: But the guy that's got the  
2 same on mechanical and the same on electrical -- I mean, he  
3 can bid that job all day long. I don't know how you can keep  
4 him from it.

5                   MEMBER WHITTINGTON: Yeah. What would  
6 keep him from bidding separate jobs at separate places and  
7 coming up with the same result?

8                   MEMBER NEAL: Nothing. He could bid ten  
9 of them the same day, if he wanted to.

10                  MEMBER WHITTINGTON: Exactly.

11                  MEMBER NEAL: So what's the difference?

12                  CHAIR PARKS: So what you're saying is,  
13 it's someone's advantage to take a plumbing test and an HVAC  
14 test because they can do twice as much work on the same  
15 project than if they take the CMC test.

16                  MEMBER NEAL: No.

17                  CHAIR PARKS: That's just what you said.

18                  MEMBER NEAL: No. No. No.

19                  CHAIR PARKS: That's what you just said.

20                  MEMBER NEAL: No. I didn't say that at  
21 all.

22                  CHAIR PARKS: But you can't do it. No.  
23 It's different classes. It's different classes. And CMC-A  
24 and CMC-C are two different classes.

25                  MEMBER NEAL: I understand that. I

1 understand that. I'm not even talking about splitting the CM  
2 classes.

3 MEMBER HUNT: But that might --

4 MEMBER NEAL: Well, I've never seen  
5 anybody do that.

6 MEMBER HUNT: Well, if somebody starts at  
7 CMC --

8 CHAIR PARKS: It happened on the one that  
9 we had the last conference call over in August.

10 MEMBER NEAL: No.

11 CHAIR PARKS: Yeah. Somebody bid  
12 plumbing, HVAC, and electrical.

13 MEMBER NEAL: That one was wrong.

14 CHAIR PARKS: And that's why we started  
15 all this, because it kept coming up.

16 MS. TARTER: What I remember was that he  
17 had 500- for three different classifications, and then a  
18 single bid for a million-five --

19 MEMBER HUNT: He had a million and six.

20 MS. TARTER: -- and then he'd do plumbing  
21 for a million-five. Then he submitted both -- two or three  
22 bids on the same project.

23 MEMBER NEAL: Right.

24 MS. TARTER: So he was stacking --

25 MEMBER NEAL: Right. You're exactly



1 right.

2 MS. TARTER: -- the monetary limits on --

3 MEMBER NEAL: We told the poor general  
4 contractor that you just pick which one you want to get,  
5 knowing full well that that guy was \$1 million low on the  
6 electrical. What do you think he gave him?

7 MS. TARTER: I don't know. I'm wondering  
8 if we could address this in a rule also with -- like maybe  
9 requiring contractors to disclose certain -- like guidance --  
10 like for that individual that we did that. From now on if he  
11 wants to bid this, he needs to tell them which one he wants.  
12 I don't know. I'm just trying to think of the best way to do  
13 this.

14 MEMBER NEAL: I think he understands he  
15 has to get a limit big enough to take care of the job.

16 MS. TARTER: But I'm thinking, regardless,  
17 we may not have this language by the end of the month that we  
18 can do a rulemaking.

19 CHAIR PARKS: Figures.

20 MEMBER HUNT: Well, I mean, all it takes  
21 is the majority to determine it.

22 I'm not trying to run over you, Frank.

23 MEMBER NEAL: You're absolutely right.  
24 That's all it takes. But I'll guarantee you there will be a  
25 lawyer up here defending that thing and he's going to slap us

1 in the head and say, you know, you people are crazy; you gave  
2 that guy a \$1 million CE license and you gave him a \$1 million  
3 MC license and now you're trying to tell him he can't do that?

4 MEMBER HUNT: Well, the other way to look  
5 at it is, he has a \$1 million license that allows him to do  
6 CE -- electrical and mechanical work --

7 MEMBER NEAL: And nowhere does it say he  
8 can't do both.

9 MEMBER HUNT: That's why we're going to  
10 make a policy that clarifies that.

11 MEMBER NEAL: If we make a policy, we  
12 can't issue a license in that fashion anymore. So what's the  
13 poor guy who's a mechanical and electrical contractor going to  
14 do when it makes good sense that you have the same guy doing  
15 both of those jobs on a building?

16 MEMBER HUNT: Why can we not issue the  
17 license anymore?

18 MEMBER NEAL: Do what?

19 MEMBER HUNT: Why couldn't we issue the  
20 license anymore? You said you couldn't issue the license.

21 MEMBER NEAL: If you give him a million on  
22 one -- I'm telling you, if you give him a million on both of  
23 them, he's going to have a million on each one of them. You  
24 can say, well, he don't think you-all will do that, but --

25 CHAIR PARKS: So what you're saying,

1 Frank -- I'm behind tab 5 in our book. And I happened to find  
2 he's from Louisville, Kentucky. He was given a BC 5, 9, and  
3 19 -- and \$100,000.

4 MEMBER NEAL: Uh-huh.

5 CHAIR PARKS: You're saying that he could  
6 submit me three \$100,000 bids --

7 MEMBER NEAL: Huh-uh. Not at all. This  
8 comes up on the mechanical and electrical of the major  
9 components of a building job. This BS here about the guy that  
10 wants a \$100,000 limit to do a swimming pool and a tennis  
11 court and a croquette diamond -- I mean, he's not going to  
12 combine all that and say I can do a \$300,000 job.

13 CHAIR PARKS: How do you know?

14 MEMBER NEAL: It hasn't come up yet.

15 CHAIR PARKS: Where's Mike Fitts when you  
16 need him?

17 MS. TARTER: I mean, if you guys can agree  
18 on scenarios of how this would apply, it might help putting in  
19 the rule language about -- you know, for example, contractor A  
20 can't have, blah, blah, blah -- or something like that.  
21 Because I think it's got to --

22 CHAIR PARKS: Can you put an example in a  
23 rule?

24 MS. TARTER: I don't see why not. I was  
25 kind of looking in the rules to see if we've done it before.

1 But I don't see why not, especially in this situation.

2 I understand what you guys are saying,  
3 because I understand the discussion and this rule, but I  
4 think to -- I think it's very important for notice to other  
5 contractors who are looking at this and trying to get  
6 guidance. I think it might be hard to understand, and I'm not  
7 sure how much more to simplify it except an example.

8 CHAIR PARKS: In the law it does  
9 say, on page 18, there shall be nine major construction  
10 classifications. Now, that's where Frank is basing his  
11 argument.

12 MEMBER HUNT: Well, Frank, if the GC had  
13 electrical and had he had a \$1 million license, could he bid  
14 \$1.4 million on a project?

15 MEMBER NEAL: It happens all the time.  
16 Just like Mike Fitts said, if you've got a GC that bids on a  
17 \$30 million job and he wants to put his name in there to do  
18 the electrical and it's for a million dollars or less, he puts  
19 his name in there. So it's a \$31 million job.

20 CHAIR PARKS: It has to be unlimited. But  
21 a BCB that has a million and a half dollar limit --

22 MEMBER NEAL: Right.

23 CHAIR PARKS: -- also has a CE --

24 MEMBER HUNT: How big a job could he bid?

25 MEMBER NEAL: \$2.5 million or so.

1 CHAIR PARKS: Let's say he's got it for  
2 one and a half. Let's say he's got BC, CE, CMC --

3 MEMBER NEAL: Well, he can't bid  
4 \$3 million because the BC --

5 CHAIR PARKS: That's major  
6 classifications. That's three of the nine major  
7 classifications. All that guy would have to do is give you a  
8 bid for a million and half for the building portion and  
9 \$800,000 for the mechanical portion and \$200,000 for the  
10 electrical portion. He'll get a \$2.5 million job on a  
11 million-and-a-half-dollar limit, based on your argument.

12 MEMBER NEAL: I don't think it'll work.  
13 We'll award him. The only thing I'm interested in is  
14 mechanical and electrical. You can make all the other  
15 exceptions you want to, to the rule, but mechanical and  
16 electrical.

17 MEMBER SANDRELL: For instance, I got a --  
18 I'm licensed in EMP and E, 2.2 million. I've got a CE license  
19 and went and took the test for that. I've got a CMC license  
20 and went and took the test for that. And a CMC also includes  
21 plumbing. I went and took a test for that. And I've got a  
22 \$2.2 million license. So how big a job can I do?

23 MEMBER NEAL: Well, if it's a \$5 million  
24 building contract and you bid mechanical and you bid the  
25 electrical and you're licensed for a limit in both instances

1 that are satisfactory for what you're quoting, then you can do  
2 whatever you want to do. You're not combining your limits.  
3 You're saying I have a million for electrical and 2.2 million  
4 for electrical -- or whatever.

5 True. You are going to wind up with a job  
6 that is a total of \$3.5 million, and you've got a 2.2 license  
7 for one of those things. But you've got the other license for  
8 the other one.

9 MEMBER HUNT: You only have one license,  
10 Frank.

11 MEMBER NEAL: Well, you've got a limit on  
12 that license for the other ones.

13 MEMBER WHITTINGTON: Should we not license  
14 a company, firm, or individual in one of any of the major  
15 classifications?

16 MEMBER NEAL: Well, that would be hard to  
17 do.

18 CHAIR PARKS: We'll never do that.

19 MEMBER NEAL: We'll never do that.

20 MEMBER WHITTINGTON: All right.

21 MEMBER NEAL: And a lot of mechanicals are  
22 electrical, too.

23 Well, I would suggest that our attorney  
24 draw something up that another attorney is not going to go  
25 over here and bash us in the head as soon as it comes up next

1 time.

2 MS. TARTER: I can try and -- I mean, I  
3 honestly think -- I will check with my chief counsel about the  
4 idea of putting examples into it, but I think that might be --

5 MEMBER NEAL: I think that --

6 MS. TARTER: I know when I studied the tax  
7 code they put examples in there, and that's the only way you  
8 can do it.

9 CHAIR PARKS: And you might dig a little  
10 bit through the laws if classification is defined or a limit  
11 per classification is mentioned and start with what we've  
12 got -- what Cliff and I prepared and Mr. Neal's offhand  
13 comments.

14 MEMBER HUNT: Well, I think they're  
15 contradictory. I'm not sure -- we've got to get some general  
16 guidance before somebody starts --

17 CHAIR PARKS: Well, my point is, she may  
18 find wording in the law that ties classification to limit that  
19 helps either win or lose Frank's argument.

20 MEMBER STILL: It's not just Frank's  
21 argument, in defense of Frank. I agree with Frank.

22 MEMBER NEAL: I thought you were asleep  
23 over there.

24 (Laughter)

25 MEMBER STILL: Well, you started faltering

1 so I thought I better come up.

2 MEMBER OWENS: If that contract had an  
3 unlimited license we wouldn't be arguing about it.

4 CHAIR PARKS: You're right.

5 MEMBER NEAL: I don't know why we're  
6 arguing about it anyway. What's the difference? You say the  
7 guy has got a million in electrical and got a million in  
8 mechanical, why give him that? If he doesn't qualify for it,  
9 don't give it to him. But if you give it to him I don't know  
10 how you can arbitrarily say, well, you've got the license and  
11 you've got the limit in each of these classifications but you  
12 can't do it.

13 MEMBER STILL: Can't bid on the same --  
14 okay.

15 MEMBER NEAL: Right. And yet I can bid  
16 three that same day.

17 MEMBER SANDRELL: Let me ask this  
18 question -- this is a crazy question. If you've got a  
19 CMC license, that takes care of heating and air conditioning  
20 and plumbing. Okay?

21 CHAIR PARKS: And fire sprinklers.

22 MEMBER NEAL: Let's say MC full -- the  
23 whole thing.

24 MEMBER SANDRELL: Okay. All right. If  
25 you've got a million dollar license, now, can you bid a



1 million in each one of them, or can you do that just in one --

2 MEMBER NEAL: You have an EMC license for  
3 a million dollars.

4 MEMBER SANDRELL: Okay.

5 MEMBER NEAL: If you had a CMC-C and you  
6 have a million, then that's the only thing you can bid in that  
7 classification. But if you've got the whole dang class --

8 MEMBER SANDRELL: The whole thing.

9 MEMBER NEAL: -- you know, you got a  
10 million dollar limit.

11 CHAIR PARKS: And I don't mean to keep  
12 bringing that thing in August up, but that particular  
13 contractor had plumbing and he had CMC. He didn't have  
14 plumbing and HVAC. He had plumbing and then he had the whole  
15 mechanical class. Which, by the way, he probably got one then  
16 got the other one later. And that hadn't been cleaned up  
17 right --

18 MS. TARTER: Right.

19 CHAIR PARKS: -- you know, from my  
20 perspective. That may not be the Board's perspective.

21 MS. TARTER: I'm also thinking of if  
22 there's a way that they could better define it when issuing a  
23 license or when it's going on a search online or something  
24 like that to kind of clean up the way -- for example, that  
25 guy. Because that guy -- he added those classifications after

1 he had already gotten his license.

2 MEMBER NEAL: That guy was told by no less  
3 than three or four GCs that you can't do this.

4 MR. TARTER: Right.

5 MEMBER NEAL: But he finally found one  
6 that says, well, okay. I'll use you.

7 MS. TARTER: So I think the point is that  
8 we want to make sure it doesn't happen again, but we also want  
9 to provide notice to everybody about -- clear notice as to  
10 what they can't do. So --

11 CHAIR PARKS: It's the first time we've  
12 had the argument with you, but it's not the first time we've  
13 had this discussion.

14 MS. TARTER: So --

15 CHAIR PARKS: It's just gone further under  
16 you than it has before.

17 MS. TARTER: That's okay. I'm still just  
18 as clueless. So --

19 MEMBER SANDRELL: But what you're saying  
20 right now -- what you're thinking, Frank -- like my license,  
21 for instance, 2.2, and I got all three trades --

22 MEMBER NEAL: Right.

23 MEMBER SANDRELL: I can't bid over 2.2  
24 with all three of them put together?

25 CHAIR PARKS: No. Frank is saying you

1 can.

2 MEMBER STILL: I don't know what you mean  
3 when you say put them together.

4 MEMBER SANDRELL: Okay. Plumbing, HVAC,  
5 and electrical, which I've got a license in all three of them.  
6 My license is 2.2 million.

7 MEMBER NEAL: But you have two of them in  
8 one category. You've got one limit. If you want to say that  
9 you've got two at a million and MC -- I mean, in MC, and then  
10 you've got one in E for another limit -- yeah, you can bid  
11 both of those jobs.

12 MEMBER SANDRELL: But I only have one  
13 limit: 2.2 million.

14 MEMBER NEAL: Do you have the same limit  
15 on the electrical?

16 MEMBER SANDRELL: Yes. Same thing.

17 MEMBER NEAL: Then, yeah. You're just  
18 like the guy that has 2 million and 2 million. He -- in my  
19 opinion -- can bid both.

20 MEMBER SMITH: So he can bid 4.4?

21 MEMBER NEAL: Yes. Right. He's not  
22 bidding the total package. It's individual. It's no  
23 different than if you bid a mechanical job over on Main Street  
24 and went over to Seventh Avenue and bid the electrical and you  
25 have \$4 million worth of work there, too.

1 MEMBER SMITH: I agree.

2 MEMBER NEAL: Because he's qualified.  
3 We've qualified him to do that.

4 MEMBER HUNT: Well, the only logic of how  
5 that's different is, the job on Main Street may be done on a  
6 different timeframe than the one over here on Walnut Street.

7 MEMBER NEAL: Maybe. But in my case  
8 they're simultaneous. They start the same day.

9 MEMBER HUNT: Well, that's a flaw in our  
10 system, then.

11 CHAIR PARKS: That's universal across the  
12 country.

13 MEMBER SANDRELL: I had a guy come before  
14 me this morning from Georgia, and I just asked him, I said,  
15 "What's your limits on your license in Georgia?" He said,  
16 "Oh, we don't have none." He said, "When you get your license  
17 you can do whatever you want."

18 MEMBER NEAL: Well, he's that same guy  
19 that bid on --

20 MEMBER SANDRELL: -- the Murray County  
21 jail.

22 MEMBER NEAL: Same guy.

23 CHAIR PARKS: Beth, you have some idea of  
24 what you're supposed to be doing on this?

25 MS. TARTER: I think so. I'll probably

1 kind of come up with a couple of scenarios. I mean, I  
2 understand the August issue that we're talking about, but I  
3 think --

4 CHAIR PARKS: I would like to re-look at  
5 that. I don't want to revisit. I would like to re-look at  
6 that.

7 MS. TARTER: I might be able to find some  
8 research in the law. I think the main question is, is the  
9 limit per license or per project or per classification. I  
10 mean, we have to figure out what the --

11 CHAIR PARKS: Yeah. Well, that may be  
12 what needs to be cleaned up.

13 MS. TARTER: Right. Yeah. Because if --  
14 and it might be just as simple as doing it that way because I  
15 think if we can describe it to one of those, then that would  
16 knock out all the other issues. But then that's going to have  
17 issues with people with different monetary limits on different  
18 classifications. So --

19 CHAIR PARKS: Okay. Let's move on to the  
20 next -- was that it for the rulemaking, Carolyn? Was that all  
21 that was on the agenda for?

22 MS. LAZENBY: Do you have anything else  
23 you need to discuss on the rulemaking?

24 MS. TATER: No. I thought the disability  
25 policy thing might come into effect. That was the only other

1 thing I could think of.

2 CHAIR PARKS: Behind tab 11 is a letter  
3 from AGC of East Tennessee, of which I am a member, but I knew  
4 nothing about it being submitted, nor do I have an opinion on  
5 it. I think -- Carolyn has given a lot of information to go  
6 with this here. They are asking that the Board consider a  
7 designation, I think. You know, I'm not sure what they're  
8 asking. I'm not going to speak for them.

9 MS. LAZENBY: He wants us to be able  
10 to identify contractors who voluntarily take continuing  
11 education -- some way to set them apart from regular  
12 contractors that don't get additional education. He wanted to  
13 know if there can be a designation on their license. I don't  
14 know of any way you can put a designation.

15 CHAIR PARKS: Well, it would have to be  
16 either legislative or done through rulemaking.

17 MS. TARTER: I'm sorry? What?

18 CHAIR PARKS: In order to put another  
19 classification that someone has gotten more education than  
20 somebody else, it would have to be done through a rulemaking  
21 hearing or legislation.

22 MS. TARTER: Correct. That's what they  
23 were asking for, was classification. I wasn't sure what --

24 CHAIR PARKS: I think that's what they're  
25 asking for.

1 MS. TARTER: I didn't know if maybe they  
2 just wanted a little blurb or something on the Web site for  
3 something like that.

4 CHAIR PARKS: There is an agreement in  
5 place at Chattanooga State Tech and now UTC, as well.

6 MEMBER NEAL: Why could AGC just not get  
7 gold stickers and stamp on there and stick them on the  
8 contractor's license as he gets them?

9 MEMBER HUNT: Won't the Home Builders be  
10 up here next?

11 MEMBER NEAL: Yeah.

12 MEMBER WHITTINGTON: Well, the thing of it  
13 is, too, you've got classes on these licenses. What are you  
14 going to do, put a star after each classification and after  
15 each course? And then it won't be long before we can't fit  
16 their license classification on their license.

17 CHAIR PARKS: And the more stars the more  
18 jobs you can do on one project.

19 MEMBER NEAL: Yeah. We're soon going to  
20 do away with those multiple classifications.

21 MS. LAZENBY: I did get an e-mail, too,  
22 from Chattanooga State wanting to know if you-all could  
23 consider requiring limited licensed contractors -- the BCARs  
24 to have continuing education in lieu of making them take an  
25 exam. They did do that out there.

1 CHAIR PARKS: Respond to them and quit  
2 telling them we have 10 percent tolerance.

3 MS. LAZENBY: Okay.

4 CHAIR PARKS: If they learn the law --

5 MEMBER SMITH: What happened to our  
6 phasing out the BCA-r -- small "r"?

7 MS. TARTER: We drafted it as a rule, and  
8 that's the rulemaking we're going to have in March.

9 MEMBER NEAL: To do away with it?

10 CHAIR PARKS: Phase it out and let it be a  
11 two-year license.

12 MEMBER NEAL: Regular BCA.

13 MS. TARTER: Correct. However you guys  
14 discussed it. Yeah.

15 MEMBER SMITH: But they have to take the  
16 test.

17 MS. TARTER: It's like a paragraph long.

18 MEMBER SMITH: So we'll still keep  
19 granting the BCR, but at the end of two years you've got to  
20 get --

21 MS. TARTER: Right. It expires at some  
22 point --

23 MEMBER SMITH: Got it.

24 MS. TARTER: -- and then there's these  
25 requirements.



1 MEMBER SMITH: Good.

2 MS. TARTER: And I can't think of it right  
3 offhand. It incorporated all the things that you guys wanted  
4 to have for BCARs.

5 CHAIR PARKS: All right. Any other  
6 questions or discussion on AGC of East Tennessee?

7 (Pause)

8 CHAIR PARKS: Next item on the agenda is  
9 Social Security numbers -- confidentiality. And I don't think  
10 you have anything in our book on that, but I think Carolyn has  
11 something to say on that.

12 MS. LAZENBY: No. I don't have anything.  
13 I think Cliff --

14 CHAIR PARKS: Okay. Sorry.

15 MEMBER HUNT: I had somebody raise  
16 the issue on just how confidential -- how we safeguard  
17 Social Security numbers. I believe I'm right. The financial  
18 statements that are submitted, that is not available to the  
19 public. But if -- basically, everything else in the file is  
20 available to somebody, from the open records perspective --

21 MS. TARTER: Correct.

22 MEMBER HUNT: Is that right?

23 MS. LAZENBY: Is there some other law that  
24 says they can't have their Social Security number?

25 MS. TARTER: Basically -- I mean, with

1 every public records request we pretty much -- I mean, we  
2 black out account numbers that show up on checks. We review  
3 everything. So any account numbers I see or Social Security  
4 numbers -- which I haven't seen that many Social Security  
5 numbers --

6 CHAIR PARKS: They're on the test scores,  
7 is where they are.

8 MS. TARTER: Okay.

9 MEMBER NEAL: They're on the application  
10 form, too.

11 CHAIR PARKS: Oh, they sure are. Yeah.  
12 They sure are. I had forgotten that.

13 MEMBER HUNT: Do we need all that? First  
14 of all, do we need all the information? And then once -- what  
15 we do get and need, how do we safeguard that?

16 CHAIR PARKS: We need it if we're doing a  
17 background check.

18 MS. TARTER: It helps a lot when we do  
19 investigations.

20 MEMBER HUNT: Yeah. I realize that.

21 MS. TARTER: But any -- as far as any  
22 public records requests, I know that I don't -- I mean, I try  
23 and review for that kind of information. I think we are  
24 completely entitled to black out the Social Security numbers  
25 and any account numbers and things like that. As far as

1 you-all -- I mean, I think they keep their files --

2 MS. LAZENBY: They're locked up tight.

3 MS. TARTER: Yeah.

4 MEMBER NEAL: What?

5 MS. LAZENBY: Our files, we lock them  
6 up. Every night we have to wheel them and put the key in a  
7 combination lockbox.

8 CHAIR PARKS: That's been brought up.

9 MS. TARTER: But that's -- I mean, for  
10 public records requests, I know -- I think, technically,  
11 Social Security numbers -- I'm not sure. I know when they did  
12 a public records request for State of Tennessee employees, the  
13 reporter said that Social Security numbers were disclosable,  
14 but they weren't going to ask for them just out of kindness.  
15 So I'm not sure how technically disclosable they are. But I  
16 don't disclose them.

17 MEMBER NEAL: I read something the other  
18 day where if you're asked to give your Social Security number  
19 you're not required to do that anymore.

20 MS. TARTER: Right. I would make them  
21 fight for it if they're asking for Social Security numbers.

22 MEMBER HUNT: Well, how are we going to  
23 handle an application if they list John Doe and Billy Smith  
24 and so forth, as officers, but they don't put Social Security  
25 numbers? Are we going to process that application?

1 CHAIR PARKS: I think that's the only way  
2 we have to go back and see if it's the same Billy Smith we had  
3 a problem with a few years ago.

4 MEMBER HUNT: I think that's why they're  
5 asking for it.

6 CHAIR PARKS: Would it be possible for us  
7 to adopt a policy that any information released we make sure  
8 we black out Social Security numbers?

9 MS. TARTER: Right.

10 CHAIR PARKS: It's policy of the Board  
11 that they remain confidential in the file.

12 MS. TARTER: Yeah. I think that's --

13 MEMBER HUNT: Even if we have that, if  
14 it's a case of a lawsuit or a divorce or whatever, and a  
15 lawyer makes a request for the contractor's file, are you able  
16 to black out the information at that point?

17 MS. TARTER: I mean, I haven't had that  
18 happen, but I would black out the information and make them --  
19 I just know from private practice they have to put a reason  
20 for why they need that information. And we can argue about  
21 it. I wouldn't just wholeheartedly hand it out. I don't  
22 think we should be. I know that's how I've been treating it.

23 CHAIR PARKS: Do you want to make a  
24 motion, Cliff, for that to become policy and standard  
25 procedure? However you want to phrase it.

1                   MEMBER HUNT: I'll let Beth phrase it, and  
2 then I'll make that my motion.

3                   MS. TARTER: I think that we --

4                   MEMBER HUNT: I think that the emphasis is  
5 that we look at how and when we request the Social Security  
6 information -- Social Security numbers; and once we do get  
7 that information, we safeguard it to the best of our ability  
8 and don't release it, or we just have a policy that we don't  
9 release Social Security numbers.

10                  MS. TARTER: Right. I mean, I think it  
11 sounds like we're already doing that anyway. So I think that  
12 sounds good to have a policy.

13                  CHAIR PARKS: So that was a motion?

14                  MEMBER HUNT: Yes.

15                  CHAIR PARKS: Do we have a second?

16                  MEMBER SANDRELL: Second.

17                  CHAIR PARKS: Discussion?

18                  (Pause)

19                  CHAIR PARKS: All in favor say "aye."

20                  THE BOARD: Aye.

21                  CHAIR PARKS: Thank you. Carried.

22 Unanimous.

23                  Next is line/letter of credit -- names.

24                  MS. LAZENBY: Yes. I have a request from  
25 a lady that would like for the line of credit to be in the

1 name other than what her license is in.

2 CHAIR PARKS: Behind tab 12, I guess.

3 I think you e-mailed it to us, didn't you?

4 MS. LAZENBY: Yeah. I e-mailed it to you.

5 And I forgot the file.

6 CHAIR PARKS: Yeah. I've got a copy of

7 what you e-mailed us.

8 MS. LAZENBY: The line of credit is under

9 the name of -- I guess it's one of the officers.

10 CHAIR PARKS: Yeah. John B. Pride,

11 secretary of JGM Contractors.

12 MS. LAZENBY: And her company name is

13 under something else.

14 CHAIR PARKS: Probably JGM -- well, I

15 would hope it would be JGM Contractors.

16 He's a -- well, no. This person is a

17 guarantor for this particular application, right?

18 MS. LAZENBY: Right.

19 And then she did add him on later as a

20 secretary. It started out just her company, and then she

21 added him on as a secretary.

22 CHAIR PARKS: But the question is, could

23 the line of credit be just to him --

24 MS. LAZENBY: Right.

25 CHAIR PARKS: -- as an officer of that

1 company?

2 MEMBER NEAL: It's got to be the name of  
3 the applicant.

4 MEMBER SMITH: Well, what if she said I'll  
5 put the line of credit in a savings account? So is she going  
6 to draw it all and put it in a savings account?

7 MEMBER NEAL: Then it's a liability.

8 MEMBER SMITH: And then she says that I  
9 will not need to use the line of credit anyway.

10 MS. LAZENBY: Yeah.

11 Here it is. I'm sorry.

12 MEMBER HUNT: Well, this is different than  
13 an operating line of credit.

14 This is an operating line of credit.

15 MEMBER SMITH: That's correct.

16 CHAIR PARKS: Well, this is our form.

17 This is the letter -- this is our board's line of credit  
18 form -- form letter -- just written not in the applicant's  
19 name, but in the secretary of the applicant's name.

20 MEMBER NEAL: I think it would be real  
21 easy to get it changed.

22 CHAIR PARKS: Well, apparently the bank  
23 doesn't want to issue it without --

24 MEMBER NEAL: Yeah.

25 MS. LAZENBY: She claims that if she gets

1 it changed it's going to cost her like \$500 more. Somehow  
2 they couldn't get the line of credit changed.

3 MEMBER WHITTINGTON: She said the bank  
4 shied away from the word "contractor."

5 CHAIR PARKS: Maybe she needs to change  
6 banks.

7 MS. LAZENBY: Says she has to pay \$500 on  
8 the account to change a \$15,000 line of credit to savings,  
9 plus \$400 charge to use a line of credit, plus monthly  
10 payments with interest.

11 MEMBER NEAL: Sounds to me like the  
12 accountants --

13 MEMBER SMITH: She said she wasn't going  
14 to use it, in the next sentence, and the paragraph above that  
15 says that she is using it.

16 MEMBER WHITTINGTON: Evidently what she's  
17 going to do is draw that line of credit out, put it in cash in  
18 the corporation so we'll consider her line of credit -- I mean  
19 her cash instead of her line of credit, is what it sounds to  
20 me like.

21 CHAIR PARKS: And sounds to me like she  
22 doesn't need to be dealing with one of the two or three  
23 largest banks in the country.

24 Is it this three-page e-mail that we have  
25 got to figure out her question, or --



1                   MEMBER SMITH: Well, what's her request?  
2 What is the bottom line? Will we accept a line of credit in  
3 whose name?

4                   MS. LAZENBY: John B. Pride.

5                   MEMBER SMITH: And he's an officer of the  
6 company?

7                   MS. LAZENBY: He's the secretary.

8                   MEMBER NEAL: He's a guarantor?

9                   CHAIR PARKS: He's also a guarantor.

10                  MEMBER NEAL: Let it go.

11                  CHAIR PARKS: Taken.

12                  Now to NASCLA update, Carolyn.

13                  MS. LAZENBY: I just wanted to let you-all  
14 know that I will be traveling a little bit. This is the  
15 schedule when I will be out of the office in these meetings.  
16 And that's behind tab 13.

17                  CHAIR PARKS: Yeah. The next meeting is  
18 here, and it's the staff coming to you, right?

19                  MS. LAZENBY: Right. That's next month.  
20 They'll be coming to me. And in March we'll be in California.  
21 And then June we're not sure. And then, again, in September  
22 is going to be in Alabama. And then September 2009 they're  
23 coming to Nashville to the annual meeting.

24                  CHAIR PARKS: All right.

25                  MS. LAZENBY: That's it.

1                   CHAIR PARKS: Is there anything else to  
2 come before this board this afternoon?

3                   (Pause)

4                   CHAIR PARKS: Do I hear a motion for  
5 adjournment?

6                   MEMBER OWENS: So move.

7                   CHAIR PARKS: We are adjourned.

8                   (End of the proceedings.)

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1 REPORTER'S CERTIFICATE

2 STATE OF TENNESSEE )  
3 COUNTY OF SMITH )

4 I, Amanda F. Martin, court reporter and  
5 notary public in and for the State of Tennessee,  
6

7 DO HEREBY CERTIFY that the foregoing  
8 transcript of the proceedings were taken on the date and place  
9 set forth in the caption thereof; that the proceedings were  
10 stenographically reported by me in shorthand; and the  
11 foregoing proceedings constitute a true and correct transcript  
12 of said proceedings to the best of my ability.

13 I FURTHER CERTIFY that I am not related to  
14 any of the parties named herein, nor their counsel, and have  
15 no interest, financial or otherwise, in the outcome or events  
16 of this action.

17 IN WITNESS WHEREOF, I have hereunto  
18 affixed my official signature and seal of office, this 18th  
19 day of March, 2008.

20

21 \_\_\_\_\_  
22 Amanda F. Martin  
Notary Public, State of Tennessee

23 My Commission Expires: March 15, 2010.

24

25

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